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# Privately - Contracted Transportation Services for the Elderly and Handicapped in San Diego, CA

UMTA/TSC Evaluation Series

Interim Report  
October 1985



UMTA Technical Assistance Program

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16. Abstract The City of San Diego, which operated its own dial-a-ride service from 1975 to 1982, transferred all operations to the private sector in the fall of 1982, and introduced a user-side subsidy mechanism for most of its users. Since October 1984, all service has been provided on a user-side subsidy basis. Specified allotments of scrip are sold to eligible individuals at a substantial discount. At the end of 1984, ambulatory users were able to choose from 14 taxi companies; lift-equipped service was provided by one private, non-profit provider. During 1985, the city hopes to expand the system by involving additional lift-equipped providers, and by involving a substantial number of social service agencies, both as purchasers and as providers of service.  This report describes and evaluates the process that accompanied conversion of the city-operated dial-a-ride to a multiple-provider, user-side subsidy system. In addition, it describes and evaluates the current system, based on stated policy objectives and on issues raised prior to the conversion. The interim report focuses on conversion of current efforts to use the system to facilitate coordination of social service agency transportation resources, and will include more complete evaluation of recent changes to non-ambulatory service.					
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## P R E F A C E

This report was prepared by Crain & Associates, Inc., under contract to the Transportation Systems Center (TSC) of the U.S. Department of Transportation, and under sponsorship of the Service and Methods Demonstration (SMD) Program of the Urban Mass Transportation Administration (UMTA). Eric Schreffler served as technical monitor at TSC. Larry Bruno was the UMTA project manager. Both provided much-appreciated guidance, as did Joel Freilich, the technical monitor during the earliest phase of the project, and Bruce Spear, who reviewed the final draft.

At Crain & Associates, Inc., the report was researched and written by Nancy Chinlund and Peter FitzGerald, and reviewed in varying stages of its development by David Koffman and David Reinke. Tracy Cox, Pam Molstad, and Dulcie Kulberg produced the final document. Juliet McNally prepared the graphics.

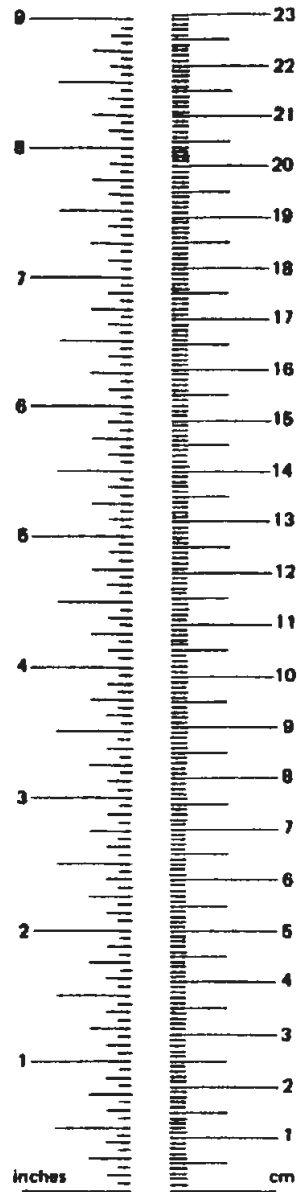
Within the City of San Diego, several members of the staff assisted by providing information about the project, by reviewing and commenting on the draft report, and by maintaining an open, inquiring perspective regarding the project and its development. These include the following: Barbara Lupro, Elaine Balok, Irma Carrillo-Irani, Howard Stapleton, and Ken Weinberg.

Outside the city, many individuals contributed valuable thoughts and opinions regarding the project. In particular, the following individuals not only provided input during the investigative process but also reviewed and commented on the draft report: Carol Boland of District 11 of the California Department of Transportation, Pam Carlisle of the American Red Cross, Catherine Johns of the San Diego Community Colleges, Nancy Oro of United Cerebral Palsy, and Nan Valerio of the San Diego Association of Governments.

# METRIC CONVERSION FACTORS

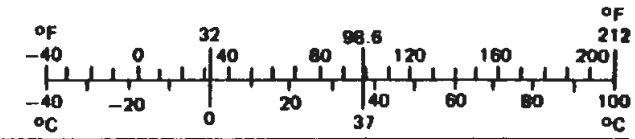
## Approximate Conversions to Metric Measures

Symbol	When You Know	Multiply by	To Find	Symbol
<b>LENGTH</b>				
in	Inches	2.5	centimeters	cm
ft	feet	30	centimeters	cm
yd	yards	0.9	meters	m
mi	miles	1.6	kilometers	km
<b>AREA</b>				
in <sup>2</sup>	square inches	6.5	square centimeters	cm <sup>2</sup>
ft <sup>2</sup>	square feet	0.09	square meters	m <sup>2</sup>
yd <sup>2</sup>	square yards	0.8	square meters	m <sup>2</sup>
mi <sup>2</sup>	square miles	2.6	square kilometers	km <sup>2</sup>
	acres	0.4	hectares	ha
<b>MASS (weight)</b>				
oz	ounces	28	grams	g
lb	pounds	0.45	kilograms	kg
	short tons (2000 lb)	0.9	tonnes	t
<b>VOLUME</b>				
tsp	teaspoons	5	milliliters	ml
Tbsp	tablespoons	15	milliliters	ml
fl oz	fluid ounces	30	milliliters	ml
c	cups	0.24	liters	l
pt	pints	0.47	liters	l
qt	quarts	0.95	liters	l
gal	gallons	3.8	liters	l
ft <sup>3</sup>	cubic feet	0.03	cubic meters	m <sup>3</sup>
yd <sup>3</sup>	cubic yards	0.76	cubic meters	m <sup>3</sup>
<b>TEMPERATURE (exact)</b>				
°F	Fahrenheit temperature	5/9 (after subtracting 32)	Celsius temperature	°C



## Approximate Conversions from Metric Measures

Symbol	When You Know	Multiply by	To Find	Symbol
<b>LENGTH</b>				
mm	millimeters	0.04	inches	in
cm	centimeters	0.4	inches	in
m	meters	3.3	feet	ft
m	meters	1.1	yards	yd
km	kilometers	0.6	miles	mi
<b>AREA</b>				
cm <sup>2</sup>	square centimeters	0.16	square inches	in <sup>2</sup>
m <sup>2</sup>	square meters	1.2	square yards	yd <sup>2</sup>
km <sup>2</sup>	square kilometers	0.4	square miles	mi <sup>2</sup>
ha	hectares (10,000 m <sup>2</sup> )	2.5	acres	
<b>MASS (weight)</b>				
g	grams	0.035	ounces	oz
kg	kilograms	2.2	pounds	lb
t	tonnes (1000 kg)	1.1	short tons	
<b>VOLUME</b>				
ml	milliliters	0.03	fluid ounces	fl oz
l	liters	2.1	pints	pt
l	liters	1.06	quarts	qt
l	liters	0.26	gallons	gal
m <sup>3</sup>	cubic meters	36	cubic feet	ft <sup>3</sup>
m <sup>3</sup>	cubic meters	1.3	cubic yards	yd <sup>3</sup>
<b>TEMPERATURE (exact)</b>				
°C	Celsius temperature	9/5 (then add 32)	Fahrenheit temperature	°F



<sup>1</sup> 1 in. = 2.54 cm (exactly). For other exact conversions and more detail tables see NBS Misc. Publ. 286, Units of Weight and Measures. Price \$2.26 SD Catalog No. C13 10 286.

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## EXECUTIVE SUMMARY

The City of San Diego, which operated its own dial-a-ride service from 1975 to 1982, transferred all operations to the private sector in the fall of 1982, and introduced a user-side subsidy (USS) mechanism for most of its users. In doing so, the city hoped to improve service quality, to control increasing operating costs, and to reduce the administrative burden to the city. Additional policy decisions made at the time of system conversion were designed to distribute benefits to a larger group of users and to better target those most in need:

- o Usage limits. Monthly allocation of scrip per user was restricted, to limit use by any one individual and assure availability of "lifeline" service for a larger population.
- o Income targeting. Income criteria for use in determining eligibility and discount level were introduced, to better target low-income users.
- o User share. User fares were increased, to decrease corresponding public contribution and permit subsidy of a greater number of trips.

Finally, the decision was made to use the user-side mechanism as a way of coordinating social service agency transportation resources.

When private-sector/USS proposals were first being considered, UMTA/SMD became interested in San Diego as a possible demonstration site, since it offered an opportunity to

study conversion of an existing publicly-operated system, and to test USS as a coordination mechanism in a large urban area. During the summer of 1982, a grant was awarded to the City of San Diego to cover administrative costs involved in establishing both aspects of the user-side system.

During the past two years, minor changes have been made to a number of program policies. Basic policy direction, however, has remained unchanged. As of November 1984, the system consisted of two privately-contracted, user-side subsidy components: one for ambulatory users and one for non-ambulatory users. Ambulatory users were able to choose from 14 taxi companies; lift-equipped service was provided by one private, non-profit provider. During FY 85 the city hopes to expand the current scrip system by involving a substantial number of social service agencies, both as purchasers and as providers of service. In this way, the city hopes to demonstrate the potential of the user-side mechanism for agency coordination.

#### PRELIMINARY FINDINGS

The adoption of proposed changes was preceded by considerable controversy, which extended the decision-making process from July 1981, when proposals were first introduced, to February 1982, when they were finally adopted. The debate occurred primarily between city staff and representatives of the user community, and covered a wide range of issues, from the relative cost-effectiveness of existing and proposed systems, to the importance of public control, to the most desirable allocation of resources among potential users. In retrospect, neither the most optimistic expectations of proponents, nor the worst fears of those opposed to the changes, have been realized.

The following are initial findings concerning both the performance of the revised system, and the process that has surrounded its adoption, implementation, and operation. Data

concerning performance of the new system are compared with those for the publicly-operated dial-a-ride.

- o In some cases the new system compares more favorably, in other cases the old. What seems to be most important is that the new system works, and solves a number of the problems (deteriorating service quality, cumbersome administration) that prompted the initial change to private-sector operations. The following provide more detailed comparative findings.
  - During FY 84, the new system served approximately 15 percent more passenger trips than did the old system in FY 81. In addition, the number of active users increased, from approximately 600 per month near the end of FY 81 to more than 2,000 per month at the end of FY 84.
  - Cost per passenger trip decreased 14 percent between FY 81 and FY 84. In other respects, cost-effectiveness of the new system is roughly equivalent to that of the publicly-operated dial-a-ride.
  - Service quality, as perceived by continuing users, has improved substantially. Average user fare is approximately twice what it was during FY 81, however, and average trip length has decreased somewhat (an estimated 11 percent).
  - The number of users who receive more than their proportionate share of the service has been greatly reduced. Special arrangements are made to assist individuals who need more than the "lifeline" allotment of scrip. However, representatives of the user community are not fully satisfied with the policies and procedures used in meeting supplemental needs.
  - Farebox recovery increased from 8 percent in FY 81 to 18 percent in FY 84, exceeding the 10 percent required for state funding. When adjusted for inflation, annual subsidy decreased by \$96,000, or 12 percent, over the same time period.
  - From the perspective of city staff, the new system is easier to administer than was the publicly-operated dial-a-ride. In addition, it offers greater flexibility to modify service levels than was the case when changes involved increasing or decreasing fleet size and/or numbers of city-employed personnel.

- Although flexibility is a benefit from an administrative standpoint, changes in policies and procedures have caused some confusion among the user community. Fears of the user community that increased administrative flexibility would lead to decreased levels of service have not been realized. In fact, the city council responded to cutbacks in state funding by committing city funds so that projected need could be met in FY 85.
- o The initial decision-making process was highly polarized, and took longer than staff had originally anticipated. The following are some of the ways that the process leading to adoption of proposed changes might have been modified and improved.
  - When a process involves participants with well-defined and potentially conflicting interests, as was the case in San Diego, development of a consensus proposal can be difficult and time-consuming. To develop a broader base of support, however, other localities might place greater emphasis on the following: (1) early presentation and discussion of proposed changes with individuals and groups who have a vested interest in the status quo, and (2) diffusion of information concerning similar programs. A third step, negotiation to develop a compromise solution acceptable to all parties, is equally important, and was a key factor leading to eventual adoption of private sector/USS proposals in San Diego.
  - Although staff in San Diego felt pressured to make immediate changes to the publicly-operated system, attempts to accelerate the initial decision-making process were not successful. A longer time-frame may prove to be a more realistic approach for communities of similar size, and may permit more specific planning of efforts to build support for proposed improvements.
  - Staff recommendations combined private-sector/USS proposals with proposals concerning redistribution of benefits and changes in funding responsibilities. Linking of these policies may be desirable in some cases, but is not necessary. In fact, it may complicate the process and divert attention from the merits of USS per se.
  - In preparing and presenting technical analysis, staff responded primarily to the needs of the city council, and provided less depth than was desired by the user community and by staff of other agencies. More complete analysis might have responded more

successfully to the concerns of those opposed to proposed changes and provided more useful information for decision-making.

- o Once proposed changes had been accepted, the transition to the new system took approximately twice the time that had originally been allotted, a time frame which is probably more realistic for other systems of similar size.
  - Other communities converting systems of similar size should plan to budget adequate time and resources for this stage of the process, including specific tasks such as the following: (1) selecting and training the rescreening team; (2) designing, ordering, and distributing coupons; (3) signing up and briefing providers; and (4) maintaining an ongoing working relationship with representatives of the user group.
  - One of the keys to the acceptance of the new system was a gradual transition, and the continuation of the publicly-operated dial-a-ride until all users had been provided with an alternative. An even more carefully staged transition might have been helpful as a way of easing the workload for city staff.
- o The change to a private-sector/USS system has improved service quality and ended the stream of user complaints to members of the city council. Continuing concerns of the user community have focused on issues of resource allocation, issues which have been clarified and simplified by the conversion to USS.
- o In San Diego, the benefits of discounting scrip based on user income were outweighed by the administrative expense involved. Other procedures, such as periodic retirement of scrip and consignment of scrip to social service agencies, have proven to be successful.
- o One of the key challenges for staff in San Diego has been the effort to maximize service provided, while keeping operating costs in line with expected revenues. As the system matures, the selection of a stable set of policy parameters, and the establishment of increasingly sophisticated data management procedures, can be expected to eliminate this concern. However, research into demand management of USS systems would assist new systems, or systems undergoing major policy changes, to reach equilibrium more quickly.

Although the converted system has been operating successfully for several months, it continues to change and evolve. During the next phase of the evaluation, particular attention will be paid to two aspects of the continuing program: (1) efforts to promote agency coordination via USS, which will provide the focus for the next phase of project activities, and (2) recent changes to city-subsidized service for non-ambulatory users. In addition, city-subsidized service for ambulatory users will be monitored to identify any changes in productivity and any issues that arise with increasing project maturity.



## 1. INTRODUCTION

### 1.1 NATIONAL CONTEXT

Public support and sponsorship of specialized door-to-door transportation services, specifically for handicapped and elderly persons, is at a new crossroads. A combination of factors constitutes the current challenge for policy makers and planners:

- o Budget constraints due to decreased funding of public transportation;
- o Rising costs in many of the current publicly operated door-to-door transit services;
- o Equity issues concerning the proper distribution of benefits and the appropriate level of public subsidy; and
- o An increasing interest on the part of researchers, policy-makers and the private sector in improving productivity and increasing the utilization of private paratransit providers.

These four factors combine to focus critical attention on a type of governmental service that has been in widespread existence for only a decade but which has received sizable investment in response to specialized transportation needs. In fact, several layers of services have developed in response to those needs, and have co-existed in sometimes cooperative, sometimes conflicting, combinations.

The first layer (and one that, until recently, was all but forgotten in the formulation of public policy) is the private, for-profit transportation sector which has been in existence ever since the first taxi, jitney and chair-car services began. Even today when other services are frequently available, the greatest proportion of transportation-handicapped

persons is transported by the private sector on a full farebox-cost-recovery basis. Historically, there has been a steady undercurrent of use of taxi and chair-car services by some social service programs for medical trips for their clients. More recently, there is a growing use of taxi services by an expanding number of publicly-funded programs.

The second layer of services is operated by private, non-profit social service agencies. Many such agencies provide transportation for their clients. In some cases, trip purposes are limited to providing access to agency programs. In other cases, a wider range of trip purposes is served. A small proportion of these agencies specialize in the provision of transportation and attempt to make their services available to all transportation-handicapped persons for a multiplicity of trip purposes. An example of the latter in San Diego is the American Red Cross WHEELS program, which has existed for over four decades.

The third and most recent layer of services is operated by government: cities, counties, states and public transportation agencies. Such "dial-a-ride" programs have most often been directed at all transportation-handicapped persons in the community with a multiplicity of trip purposes allowed. A wide range of system designs, coverage and operating policies for such services exist across the nation.

A number of factors have served as barriers to effective coordination of these different layers of service. For example, local government has often perceived the private sector (particularly taxicab services) to be lacking with respect to the following:

- o Consistency and reliability toward users and the sponsoring agency;
- o Wheelchair accessibility (ignoring "chair-car" services);
- o Appropriate sensitivity to handicapped and elderly users;

- o Cost-effectiveness, due to profit-making, and the perceived luxury of exclusive-ride taxi service;
- o Adequacy of geographical or jurisdictional coverage.

From the perspective of the taxicab industry, local government has often been viewed as a source of undesired regulation and paperwork.

Similar types of concerns have inhibited coordination between the non-profit social service agencies and the taxicab industry. Furthermore, many non-profits can economically justify direct provision of transportation services based on their low labor rates and use of labor for other aspects of their programs. Governmental units have tended to overlook the private non-profit sector because few such agencies specialize in transportation and seek such business. Some agencies that provide transportation as only one component of their services have a built-in preference for their own clients and are not interested in transporting non-clients.

In addition, patterns of service provision have been influenced by the maze of sources and restrictions (real or merely perceived) associated with transportation funding. Some local governments have erroneously assumed that the only proper or legal way to utilize state or federal transportation funds is to provide the services directly with their own operations. In addition, the prevalent governmental practice of separating capital and operating funds, particularly when funding originates at federal or state levels, has limited many localities in their budgetary options, and caused them to disregard capital costs. As a result, they have underestimated the costs of providing such services.

More recently, many local governmental units have begun to perceive that their own dial-a-ride systems provide a low level of service and operate with low productivities and high costs per passenger trip. Concurrently, there has been a significant amount of publicly-supported research on private-for-profit paratransit services, and some comparisons have been made that

suggest that private provision of such services can be more cost-effective and provide higher levels of service. In addition, demonstrations of various innovative approaches to utilization of the private sector have begun to dispel many of the myths and much of the mutual distrust held by the public and private sectors, and to successfully challenge or overcome many of the legislative or regulatory concerns of the past. In particular, the user-side subsidy (USS) method has proven to be an effective way of integrating public support with private provision of services.

In a typical USS system, eligible users purchase scrip at a portion of face value from a subsidizing agency. The scrip is then used to purchase service from a participating provider (potentially public, private-non-profit, or private-for-profit), who redeems it at the subsidizing agency. A USS system has a number of potential advantages over typical provider-side systems: the subsidy provided can be carefully targeted by type of user, the amount of service provided is automatically adjusted to the number of trips made, the user can be offered a wide choice of providers, and providers are given a more immediate incentive to improve service quality.

USS has also been suggested as a potential mechanism for coordinating social service agency transportation resources.\* In this case, scrip would be sold by a "broker" organization to participating social service agencies. The agencies, in turn,

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\*A number of additional approaches offer alternative ways of coordinating social service agency transportation resources. Some are similar to the USS system described above in that they rely on a coordinating or "broker" agency, but use different methods of record-keeping and payment, such as third party billing. Another frequently used approach is consolidation. Under a consolidated system, all transportation functions (e.g., dispatching, vehicle operations, record-keeping/billing) are centralized in a single agency. Still another approach, vehicle time-sharing, allows two or more agencies to share a vehicle, while each agency retains responsibility for transporting its own clients.

would distribute the scrip to their clients for use in purchasing transportation services from participating providers. A system of this type would offer considerable flexibility. A participating agency could use scrip for some or all of its client transportation. Agency clients could be offered varying allocations and subsidies depending on their needs. Agencies with transportation resources could enter the system as providers, and accept scrip from clients of other agencies in return for trips. Whatever the specific characteristics of the system that emerged, objectives would include increasing the productivity of existing transportation resources and increasing the range of transportation resources available to agency clients.

The shift to private sector provision of services has been gaining momentum, especially in tight economic times and with the accumulation of experience (much of it problematic) with public operation of services. But a number of issues remain unresolved. These include the following:

- o How do privately-contracted/US\$ systems compare with publicly-operated systems? In terms of cost-effectiveness? In terms of other objectives?
- o Although private-sector/US\$ mechanisms have been successfully demonstrated in settings where services did not previously exist, what issues might arise in conversion of existing publicly-operated systems?
- o Can US\$ play a significant role in coordination of social service agency transportation resources?

Each of these issues has been addressed by recent changes in the delivery of specialized transportation services in the City of San Diego.

## 1.2 PROJECT SETTING

### 1.2.1 Site Description

San Diego County is located in the southwestern corner of California, adjoining Mexico to the south, Imperial County to

the east, and Orange and Riverside Counties to the north, as shown in Figure 1-1. Bordered on the west by the Pacific Ocean, the county's 4,255 square miles are characterized by a number of distinct topographical features, including a long coastal plain, interior uplands and mountains, and the deserts of the Salton Basin. The coastal, and most populous, portion of the country enjoys a mild, dry climate, with average temperatures ranging from 46F to 75F, and with average annual rainfall under ten inches.

In 1980, the population of San Diego County was 1.86 million persons, with over 1.4 million persons living in the City of San Diego and surrounding urbanized area. The City of San Diego, with a 1980 population of 875,504, includes a larger portion of the urbanized area than do the major cities of many SMSA's, making it the second most populous city in California and the eighth most populous in the United States. Population density is 450 persons per square mile for the county as a whole, 1,350 persons per square mile for the urbanized area.

San Diego County is one of the most rapidly growing metropolitan areas in the United States. Between 1970 and 1980, for example, population in the county increased 37 percent, a rate similar to that experienced by other sunbelt localities. Most of this growth has occurred in the suburbs, and in unincorporated areas north and east of the City of San Diego.

Of particular interest to the present study are the elderly and disabled portions of the population. In 1980, approximately fourteen percent, or 268,758, of those living in San Diego County were aged 60 or older. Although the elderly population tends to be widely scattered, significant concentrations are found in Chula Vista, El Cajon, Escondido, Vista, Oceanside, and the central portion of the City of San Diego.

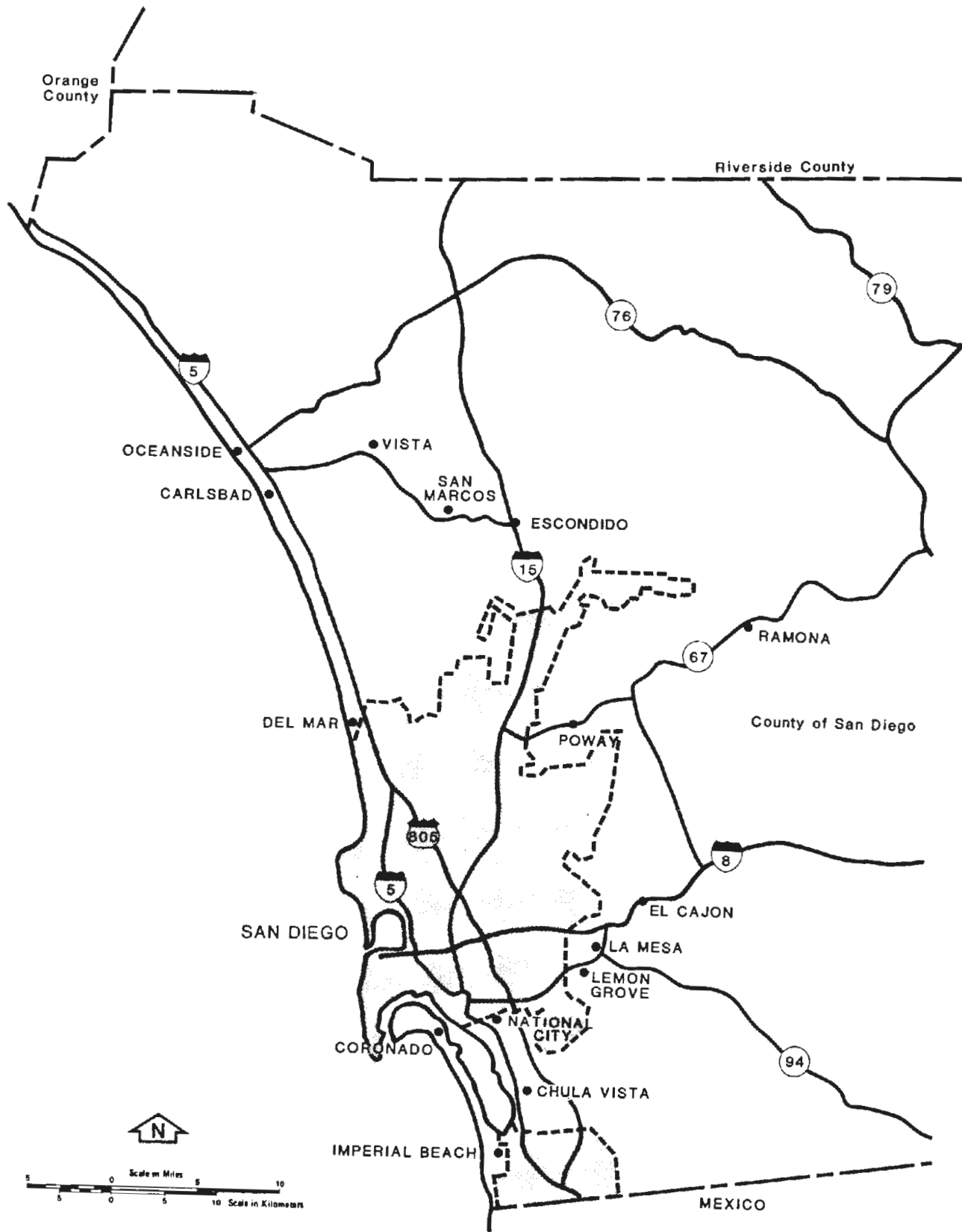


FIGURE 1-1: MAP OF THE SAN DIEGO AREA

Data on the disabled are less readily available. The State Department of Rehabilitation estimates that 5 percent of the population, or approximately 93,000 persons based on the 1980 Census, are disabled. The 1980 Census found that 45,100 persons aged 16 or older have a disability that limits their use of, or prevents them from using, public transportation. Disabled persons reside throughout the county, but are somewhat concentrated in the older, lower income areas.

### 1.2.2 Transit and Paratransit Service

The San Diego region is served by a number of transit and paratransit operators. Existing transit and paratransit services are discussed below, with special emphasis on service provided to the elderly and handicapped.

1.2.2.1 Fixed-Route Operators. The bulk of the transit passengers in the region are carried by two publicly-operated, fixed-route bus operators: San Diego Transit Corporation (SDTC) and North County Transit District (NCTD). The largest, SDTC, which carried 58% of all revenue passengers during FY 1984, provides service over an area of more than 300 square miles, centered in the most urbanized portion of the county. Of the 288 vehicles operated by SDTC during that fiscal year, 107 were accessible. NCTD, which carried approximately 20% of all revenue passengers in FY 1984, serves an area of more than 900 square miles in the rapidly growing North County area. Of the 111 vehicles operated by NCTD during that fiscal year, 80 were accessible.

Additional service is provided by a number of smaller providers: Chula Vista Transit, the County Transit System (suburban, rural and express service), National City Transit, and the Strand Express Agency. None of the vehicles operated by the smaller providers is lift-equipped.



In addition, the San Diego Trolley began operating on July 26, 1981. The trolley consists of a 16-mile light rail line, running from downtown San Diego south to the Mexican border. Additional lines are planned, which will extend the system to the north and east. Lifts have been installed on 10 of the system's 24 vehicles, providing 30-minute headways for accessible service.

1.2.2.2 Demand-Responsive Service. In addition to service sponsored by the City of San Diego (see Section 1.3), demand-responsive service is provided by a number of different systems that carried a combined total of approximately 500,000 passengers during FY 1984. Service provided by La Mesa Dial-A-Ride, El Cajon Express, and Lemon Grove Dial-A Ride is open to the general public and is not accessible. Service provided by County of San Diego WHEELS, Handytrans (Chula Vista Transit), Lifeline Community Services, and National City WHEELS is fully accessible, and is open only to elderly and disabled persons. The County of San Diego contracts with American Red Cross to provide service in East San Diego County, Coronado, and Imperial Beach. Poway has also recently begun providing service to the elderly and disabled.

1.2.2.3 Taxi Services. The City of San Diego's policies concerning the taxi industry have changed substantially in recent years. The first change occurred in 1979, when taxi regulatory revisions providing for open entry and variable pricing were adopted by the city council.\* Just prior to the 1979 changes, 409 permits were held by 62 taxi companies; rates charged were \$1.10 for the flag drop (and first 1/7 mile), plus \$.70 per mile. As of January 1984, 930 permits were held by

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\*Included as part of the regulatory revisions were provisions for shared-ride taxi and jitney services.

310 firms; during the last quarter of 1983, rates averaged \$1.18 for the flag drop, \$1.28 per mile.

Although approximately one-third of all taxi companies operating in the city hold more than one permit, the largest company by far (with approximately one-third of all permits) is Yellow Cab. Most of the independent owner-operators belong to taxicab associations, such as CO-OP cab, which provide radio-dispatch and other services to their members.

In May 1983, the city council, responding to what was perceived to be a deterioration in service quality, reinstated a rate ceiling and placed a temporary moratorium on the issuance of new medallions. More recent council action has continued the shift toward renewed regulation, by placing a ceiling of 928 on the total number of permits allowed and by limiting transfer of existing permits.

1.2.2.4 Jitney Services. As of May 1984, 17 jitney companies, operating 51 vehicles, were licensed to operate in the City of San Diego. For the most part, routes operated by these companies serve major generators such as the airport, military bases, and hotels. Given the nature of these facilities, and the fact that local ordinances do not permit jitneys to be hailed, jitney services are generally of greater utility to the transient than to the resident population.

#### 1.2.3 Social Service Agency Transportation

In 1980 a survey was conducted of transportation services provided by non-profit agencies in San Diego County.\* The survey found a total of 340 transportation providers (excluding schools), operating 469 vehicles. Of these, 199 were social

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\*Agency Transportation Inventory and Analysis Vol 1. of Human Services Transportation Coordination Study. City of San Diego, California Department of Transportation, and San Diego Association of Governments, August 1981.

service agencies, 101 were churches, 35 were hospitals, and five were government agencies.

Of the social service agencies providing transportation services to their clients, 58 agencies (29%) were operating one vehicle, 23 agencies (12%) two vehicles, and 36 agencies (18%) three or more vehicles. The remaining 82 agencies (41%) used vehicles owned by staff or volunteers, provided bus tokens, or made other arrangements for service.

TABLE 1-1.

SOCIAL SERVICE AGENCY TRANSPORTATION INVENTORY  
TRANSPORTATION PROVIDERS AND VEHICLES  
BY MAJOR STATISTICAL AREA (MSA)

	Central (MSA 0)	North City (MSA 1)	South Suburbs (MSA 2)	East Suburbs (MSA 3)	North County (MSA 4)	Total
Agencies	80	31	16	25	47	199
Vehicles	104	57	24	68	56	309
Lift- Equipped Vehicles	9	11	1	5	0	26

Table 1-1, above, shows social service agency transportation providers, vehicles, and lift-equipped vehicles by Major Statistical Area (MSA). By far the greatest percentage of providers (40%) and vehicles (34%) were located in the central city area (MSA 0). Another 36% of the providers (48% of the vehicles) were located in the three MSA's directly surrounding the central area. The remaining 24% of the providers (18% of the vehicles) were located in the North County MSA. Of the total 309 vehicles inventoried, 26 (8%) were lift-equipped.

### 1.3 PROJECT BACKGROUND

Over a seven year period, from 1975 to 1982, the City of San Diego sponsored and operated a curb-to-curb, dial-a-ride service for handicapped and elderly persons, with city-employed drivers and city-owned vehicles. Eligibility criteria evolved over time so that only persons who could not use regular transit would qualify. Although the service was operated by the city, funding was provided, most recently, by State of California Transportation Development Act (TDA) Article 4.5 Funds.\* The following summarizes key characteristics of the system:

- o Approximately 150,000 passenger trips were provided during FY 81.
- o Operating expenses for the same period were \$700,000.
- o On average, 21 city-operated vehicles were in service each weekday, from 6:00 AM to 6:00 PM.
- o A zone fare system was utilized.
- o Reservations were required 24 hours in advance.
- o A total of 4,000 persons were registered.

A supplementary taxi program was utilized for medical trips, of a certain maximum trip distance, which could not be productively scheduled on the city-operated vehicles. Trips were dispatched by the city and provided by taxis. The supplementary taxi program, which had been part of the system since March 1980, accounted for approximately ten percent of all trips.

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\*In California, a portion of the general state sales tax is returned to the county of origin for transportation purposes; urban areas are allowed to spend up to 5% of these transportation funds for "community transit services" other than fixed-route. The state requires that operators receiving these funds demonstrate a 10% farebox recovery.

By the spring of 1981, the deteriorating condition of the city's dial-a-ride fleet (composed primarily of 1974 model-year vehicles) had become a serious concern. To improve service reliability and decrease escalating maintenance costs, the city council and staff began considering changes to the existing dial-a-ride program, including the transfer of all operations to the private sector, and the introduction of a user-side subsidy (USS) mechanism.

In addition, concerns had been raised about the distribution of dial-a-ride resources. Over time, the city-operated system had come to favor regular (especially subscription) users over occasional users. Staff found it difficult to justify the allocation of what was perceived to be a disproportionate share of service to a limited number of individuals. In addition, they were concerned that the occasional users might be those most in need, i.e., those less-sophisticated and with fewer options available.

Initial staff proposals recommended a USS mechanism for three components of service:

- o Taxi-ambulatory service. Those persons who were eligible for the city's program, but physically able to use taxis, would be issued discounted scrip. Scrip would be used to pay for services provided by any taxi company participating in the program.
- o Wheelchair-accessible service. A single operator, under contract to the city, would provide lift-equipped service for those frail elderly and wheelchair users who were not able to use taxis. The provider would charge a fare which would be paid by the user in discounted scrip and/or cash.
- o Interface/developing-areas service. Funding from a state grant would be used to develop dial-a-ride services in three outlying sections of the city which were perceived to be receiving less than an equitable share of service. This service, to be provided under a one-operator contract would also provide "interfacing" service with similar systems outside the city.

Finally, staff proposed more stringent eligibility requirements, combined with limits on the amount of discounted scrip

that could be purchased per person per month. Restrictions on eligibility and usage were designed to address concerns about equity in distribution of service, and to control the increased demand that was expected to result from improved service quality.

The initial set of proposals proved to be controversial, and a competing set were prepared by a group of concerned citizens. After eight months of controversy, various adjustments were made to the city staff proposals, and the refined proposals were adopted by the city council on February 22, 1982. Table 1-2 summarizes key system elements for 1) the pre-change system, 2) the original staff proposals, and 3) the adopted system.

One of the adjustments made as part of the compromise was the addition of a fourth service component:

- o Subscription service. This service was to be provided for one year, by a private contractor, to a small group of individuals who had used the city-operated system on a daily basis. Concern had been expressed that proposed allotments of scrip would not be adequate to meet the needs of these users, and this service was seen as a way of easing their adjustment to the city's new policies.

In addition, wheelchair-accessible and developing-areas services were to be provided on a provider-side basis, with no monthly limits on individual usage. The proposed income limit was liberalized somewhat, and the hours of operation for the taxi-ambulatory service were shortened to more closely match those of the other service components. Finally, the zone fare (which would continue to apply to all but the taxi-ambulatory component) was increased to \$1.00 per zone.

The transition from the "old" to the "new" system, including rescreening of all users, occurred gradually over a ten-month period, from March 1982 to December 1982. Starting in August 1982, the city began transferring all operations to

TABLE 1-2.  
SYSTEM CHANGES

<u>System Element</u>	<u>Pre-Change System</u>	<u>Original Proposals</u>	<u>Adopted System</u>
Eligibility	<ul style="list-style-type: none"> <li>o Unable to use public transit; 18+ years of age; city resident; neither applicant nor spouse owns automobile</li> </ul>	<ul style="list-style-type: none"> <li>o Same, plus new limit on maximum HH income (80% of area median)</li> </ul>	<ul style="list-style-type: none"> <li>o Adopted as oposed, except income standard changed to 100% of area median (\$15,000 for one person; \$17,000 for two persons)</li> </ul>
Vehicles/Operators	<ul style="list-style-type: none"> <li>o 21 city-operated vehicles, plus 3 back-up vehicles</li> <li>o Supplementary taxi for medical trips up to 6 miles</li> </ul>	<ul style="list-style-type: none"> <li>o USS for all components of service</li> <li>o Permitted taxicabs and jitneys for ambulatory persons</li> <li>o Single-provider contract for wheelchair-accessible service</li> <li>o Single-provider contract for service to "developing areas"</li> </ul>	<ul style="list-style-type: none"> <li>o USS for taxi-ambulatory service only</li> <li>o Wheelchair-accessible service to be provided on provider-side basis by American Red Cross</li> <li>o Service to "developing areas" to be provided on provider-side basis by Community Transit Services</li> <li>o Added one-year subscription tour contract(s) for core group of grandfathered daily users</li> </ul>
Times of Operation	<ul style="list-style-type: none"> <li>o 5 weekdays, 6 AM-6 PM</li> <li>o 24-hour reservations required</li> </ul>	<ul style="list-style-type: none"> <li>o 7 days/wk, 24 hrs/day, depending on providers' hours of operation</li> </ul>	<ul style="list-style-type: none"> <li>o Taxi-ambulatory service-- 7 days/wk, 7 AM-6 PM</li> <li>o Remaining components-- 5 weekdays, 8 AM-6 PM</li> <li>o 24-hour reservation for wheelchair-accessible and developing-areas services</li> </ul>

TABLE 1-2. (continued)

<u>System Element</u>	<u>Pre-Change System</u>	<u>Original Proposals</u>	<u>Adopted System</u>
Monthly Limits Per Person	<ul style="list-style-type: none"> <li>o "First come first served" within system capacity</li> <li>o Some subscription arrangements (90-100 daily users)</li> </ul>	<ul style="list-style-type: none"> <li>o July 1981 example--\$25 scrip/ user/month</li> <li>o October 1981 guidelines for scrip/ user/month by service component: \$32 Taxi-ambulatory \$40 Developing-areas \$120 Wheelchair-accessible</li> </ul>	<ul style="list-style-type: none"> <li>o Taxi--\$32 tentative, to be determined by demand</li> <li>o Wheelchair and developing areas--self-limiting as before</li> <li>o Grandfathered subscription users--daily</li> </ul>
Fare/(User Share)	<ul style="list-style-type: none"> <li>o April 1981: 8 zones; \$.50 first &amp; \$.25 each additional zone; \$.50 max. for medical via taxi or city-operated dial-a-ride</li> <li>o April 1982: \$1.00 per zone; \$1.00 maximum for medical trips</li> </ul>	<ul style="list-style-type: none"> <li>o July 1981 example - 20% user share</li> <li>o October 1981 guidelines, based on income: \$0-5,000 25% user-share \$5-9,000 30% user-share \$9,000 + 35% user-share Extra Need 40%</li> </ul>	<ul style="list-style-type: none"> <li>o Taxi--same as proposed</li> <li>o Contract services--\$1.00 per zone, with no maximum for medical trips</li> </ul>



a series of contracts with private providers. The publicly-operated dial-a-ride carried its last passenger on October 8, 1982.

Also adopted by the city council in February 1982 was a proposal to use the USS mechanism to facilitate coordination of social service agency (SSA) transportation services. Implementation of this component of the program began in October 1982, and occurred within the framework of a broader effort to coordinate social service agency transportation services in San Diego County.

#### 1.4 THE SMD PROGRAM INTEREST

The UMTA Service and Methods Demonstration (SMD) Program was established in 1974 to provide federal support for the development, demonstration and evaluation of innovative transportation management techniques and transit services.\* Evaluations of the results are the responsibility of the Transportation Systems Center (TSC) within the Department of Transportation and are disseminated to policy makers, planners and transit operators. TSC is assisted by a team of evaluation contractors, including Crain & Associates, Inc., which was assigned to conduct this evaluation, and is referred to in this report as the evaluation contractor.

User-side subsidy projects generally address a number of SMD program objectives including the following:

- o Provide more efficient public transportation,
- o Provide more effective public transportation,
- o Integrate the use of private and public transportation providers.

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\* Bruce D. Spear, et al., Service and Methods Demonstrations Program Report (1981), U.S. DOT, December 1981.

As a result, UMTA sponsored several early demonstrations of the USS concept: Danville, Illinois; Kinston, North Carolina; Montgomery, Alabama; and Lawrence, Massachusetts. In addition, case study evaluations have been performed of USS projects in several large urban areas: Seattle, Milwaukee County, and Kansas City. Although these studies had demonstrated the operational mechanics of USS in cases where new services had been established, San Diego offered an opportunity to study the conversion of an existing publicly-operated system. In fact, UMTA was interested more in evaluating the process of conversion than in evaluating the impacts of the user-side subsidy concept itself.

In addition, UMTA has had a long-standing interest in testing USS approaches to coordination of social service agency (SSA) transportation resources. Initially, the SMD program had attempted to sponsor a USS/SSA coordination project in Chico, California.\* More recently, demonstrations have been sponsored in Pittsburgh, Pennsylvania, and Dade County, Florida. San Diego offered an additional opportunity to establish and evaluate user-side coordination in a large urban area.

In 1982, UMTA awarded a grant to the City of San Diego to cover the administrative costs involved in converting the city's dial-a-ride program and in testing USS as a mechanism for social service agency coordination. The grant also provided for monitoring and data collection activities. No federal funds were provided to subsidize project operations.

#### 1.5 EVALUATION APPROACH

The evaluation is divided into two major phases. Phase I, which is covered in this interim report, has concentrated on

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\*This demonstration failed to materialize for various reasons, which have been documented in Chico Coordinated Human Service Transportation Project, Final Report, Crain & Associates, Inc., forthcoming.

the process of conversion of the city-operated dial-a-ride system. Phase II will continue to monitor operations of the converted system, but will focus more directly on the effort to coordinate social service agency transportation resources via the user-side subsidy mechanism.

The primary evaluation objective for Phase I, the topic of this report, has been to identify and analyze key issues involved in the conversion process. Chapter 2 of this report deals with the decision-making process that took place prior to system conversion. Chapter 3 deals with the transition that took place during 1982, and with the initial stages of operation of the converted system. Chapter 4 presents preliminary findings and recommendations.

Given the "process" nature of the evaluation, little emphasis has been placed on collection of quantitative data. Instead, quantitative analysis has depended on data compiled by project staff, or collected locally for other reasons. Qualitative data have been collected by the evaluation contractor through personal interviews, attendance at meetings, and review of materials prepared by project staff, and by the staff of other agencies.



## 2 . P R E - C O N V E R S I O N P R O C E S S

Approximately 10 months elapsed from the time that consideration of private sector proposals was initiated until a compromise set of proposals was adopted. The following section presents a chronology of key events that occurred as part of the decision-making process. Events are summarized in Figure 2-1. Sections 2.2 through 2.4 provide more detailed discussion of the key actors that were involved, the major issues that were addressed, and the types of technical analysis that were performed.

### 2.1 CHRONOLOGY OF EVENTS

As mentioned in Section 1.3, the City of San Diego began operating its own dial-a-ride system in 1975. By 1981, the deteriorating condition of the vehicle fleet made some type of action imperative, both to reduce escalating maintenance costs and to improve service quality for dial-a-ride users.

During the spring of 1981, dial-a-ride operations staff responded by developing preliminary plans both to replace existing vehicles and to increase total fleet size over a three to five year period. In April 1981, however, at hearings on the city's paratransit policy, a representative of Yellow Cab Company suggested that the private sector could provide services similar to those offered by the city-operated dial-a-ride, but at lower cost. In fact, as early as 1979, city staff involved in developing regulatory revisions to the paratransit codes had considered more substantial involvement of private sector providers in the city's dial-a-ride program. Testimony by Yellow Cab Company focused attention more specifically on this approach.

In early May 1981, a meeting was held with staff of UMTA and the Urban Institute to discuss an UMTA-funded study (then in progress), to develop a plan for coordinating social service agency (SSA) transportation resources in the San Diego region. A few weeks earlier, the city's paratransit administrator had submitted an idea statement to UMTA outlining a grant proposal to demonstrate the effectiveness of user-side subsidy as a coordination mechanism.\* At the time, the paratransit administrator viewed the user-side mechanism as a way of coordinating a wide range of transportation resources and as a way of augmenting, but not substituting for, the services provided by the city-operated dial-a-ride. Based on conversation at the May meeting, however, some members of the city staff began to consider a user-side approach, incorporating the private sector, as an alternative to the publicly-operated system.

Staff continued to study the matter and returned to the city council in July 1981 with the set of proposals shown in Table 1-2. These included involvement of the private sector, introduction of the user-side subsidy (USS) concept, changes in eligibility requirements, and limits on individual usage.

During the eight months from July 1981 to February 1982, the Transportation and Land Use (T&LU) Committee of the San Diego City Council held five hearings on proposed changes. As shown in Figure 2-1, the focus of those hearings shifted

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\*Development of the idea statement was stimulated in part by interest expressed at the federal level. Staff of UMTA and the Urban Institute had discussed the user-side concept with city staff at earlier meetings on taxi deregulation and SSA coordination, and a concept paper prepared by the Urban Institute (Gerald K. Miller, Ronald F. Kirby, and Carol T. Everett, User-Side Subsidies for Public Transportation in Major Metropolitan Areas: A Demonstration Concept, February 1981) had suggested a demonstration of this type in a large urban area. In addition, the paratransit administrator had encountered and become interested in the user-side concept as part of research being conducted for the UMTA-funded study on coordination.

1981

April Yellow Cab Company testimony to T&LU Committee  
May Meeting with staff of UMTA and Urban Institute  
June  
July Initial staff proposals presented to T&LU Committee  
August UMTA grant application submitted  
September Request for proposal (RFP) issued for bids for two components of service  
October Opposition testimony presented at T&LU hearing  
November Revised set of staff proposals presented to T&LU Committee  
December

1982

January Alternate set of proposals presented by citizen group  
February Preferred alternative presented by staff; T&LU committee makes recommendation to full council; council makes final decision

FIGURE 2-1. CHRONOLOGY OF EVENTS  
DURING DECISION-MAKING PROCESS  
APRIL 1981 TO FEBRUARY 1982

between proposals prepared by staff and those prepared by a group of concerned citizens. Finally, on February 22, 1982, the council adopted a compromise set of proposals. Implementation was to begin immediately, and to be completed by June 1, 1982.

In addition, during the hearing process, staff took steps to prepare for eventual implementation of the proposals should they be adopted. First, in August 1981, a grant application was submitted to UMTA, requesting funds to be used in setting up, monitoring and evaluating the proposed changes. Second, in September 1981, a request for proposal (Appendix A) was issued to solicit private sector bids for two components of service: (1) wheelchair-accessible service, and (2) developing-areas service.\*

## 2.2 MAJOR ACTORS

Major actors in the pre-conversion decision-making process can be divided into three groups: (1) those that played a role in developing and/or supporting private sector/USS proposals (Section 2.2.1), (2) those that were opposed to private sector/USS proposals (Section 2.2.2), and (3) decision-makers (Section 2.2.3). A fourth set of actors, described in Section 2.2.4, played roles that were less direct, but that affected the process in varying ways. Actors that played more than one role are included in more than one section.

### 2.2.1 Development of Private Sector/USS Proposals

The most important actor was a key member of the city staff, who acted as champion for the proposals throughout the

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\*The purpose of the RFP was twofold: (1) to determine whether private sector services would be offered at a cost-effective rate; and (2) if so, and if the city council eventually decided to favor such an approach, to obtain the information needed to select a contractor.



development and review process. This individual had been selected as the city's paratransit administrator in 1978, when the position was first created. In that position, her first priority had been to institute regulatory revisions to the paratransit codes for taxis, jitneys and vehicles-for-hire, including changes to permit open entry and variable pricing. That work, which was supported by an UMTA/SMD grant, helped shape her perspective on the application of free market concepts to public transportation policy. In addition, it helped lay the groundwork for successful implementation of later private sector/USS proposals.

In 1980, this individual was promoted to a new position, as assistant to the city manager. In that position, she continued to coordinate staff work on transportation issues, and played a strong leadership role in developing the original staff proposals for changes to the city-operated dial-a-ride. The new paratransit administrator was initially interested in the USS concept, but did not advocate dismantling the publicly-operated system. As a result, it was the assistant to the city manager who eventually drafted private sector/USS proposals and became their primary advocate.

Four other types of actors were involved in supporting and shaping the proposals as they were developed:

- o Private sector. As indicated in the introduction to this chapter, private sector interest in providing specialized transportation services played a role in setting the direction for proposed changes. In raising the possibility of private sector involvement, however, Yellow Cab Co. was thinking in terms of a single-provider, bid-contract model.\*
- o City council. For several years, the city council had been positively oriented toward injection of free market concepts into city policy and toward use of the private sector to provide publicly-supported services.

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\*Yellow Cab currently provides demand-responsive services on this basis in the San Diego communities of El Cajon and La Mesa.

In 1979, the council had adopted code revisions removing regulatory restrictions for the paratransit industry, and had supported involvement of the taxi industry in providing supplementary dial-a-ride services.

- o UMTA/SMD Staff. Members of the SMD staff, who had continuing contact with city staff while monitoring two active SMD grants, were aware of efforts to experiment with multiple-provider, user-side subsidy approaches in other locales. Encouraged by the experience in those areas, they were interested in seeing USS demonstrated further, particularly in large urban areas, and as a mechanism for coordinating social service agency transportation resources. They were supportive of the city's expressed interest in USS as a coordination mechanism, and suggested that it might also serve as a solution to the city's dial-a-ride problems.
- o Upper-level city management. Once the assistant to the city manager presented the USS concept to the deputy city manager, it quickly gained momentum. The deputy city manager, finance department director, and city manager all agreed with the approach and provided support to the assistant to the city manager in her efforts to shepherd it through the process.

#### 2.2.2 Opposition to Private Sector/USS Proposals

Opposition to private sector/USS proposals came primarily from the Dial-A-Ride Citizens Advisory Committee (CAC).\* At the time that proposals were first raised, the CAC was an informally structured group, with an ad hoc membership. Two co-chairs provided leadership. Social service agency staff as well as dial-a-ride users attended monthly meetings, which considered user complaints and provided input to staff on dial-a-ride policy recommendations.

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\*As mentioned in Section 2.2.1, key staff in the city's paratransit office also favored alternative proposals. One key individual, the paratransit administrator, left the city in September 1981, when it became apparent that her views diverged significantly from those of staff of the city manager's office. The other, the dial-a-ride operations manager, stayed well into the actual conversion to private sector/USS operation, leaving the city in July 1982.

With the advent of proposals for significant changes to the dial-a-ride system, a coalition of concerned users and eleven social service agencies/associations was formed under the umbrella of the CAC. The coalition, which represented individuals with physical and developmental disabilities, as well as the elderly, included the following agencies:

- o Area Agency on Aging
- o Association for Retarded Citizens
- o California Association of the Physically Handicapped
- o California Association of Postsecondary Educators of the Disabled
- o Community Services Center for the Disabled
- o National Rehabilitation Association (Local Chapter)
- o Regional Center for the Developmentally Disabled
- o San Diego State University, Disabled Student Services
- o Sharp Hospital, Rehabilitation Center
- o United Cerebral Palsy

Only one social service agency (serving low-income persons, including seniors) dissented from the others and publicly supported the city staff's proposals.

Approximately 15 to 20 persons, with an ad hoc steering committee of six to eight persons, actively participated in opposing the changes. As controversy heightened, several meetings (in addition to regular monthly meetings) were held between the CAC and the city staff. In addition, the CAC held their own meetings as frequently as once a week. Letters were sent, and meetings held, to lobby council members and their aides. At the October hearing, fourteen persons testified before the T&LU Committee. At the November T&LU Committee meeting, individuals opposing the city's proposals were asked to prepare their own set of recommendations. Concerns and proposals of the CAC are summarized in Table 2-1.

### 2.2.3 Decision Makers

Although members of the T&LU Committee were supportive of private sector/USS proposals, they were concerned by the degree of opposition voiced by the CAC, and played a substantial role in encouraging the staff and the CAC to develop a compromise solution. During the October hearing, for example, the staff was requested to meet with concerned members of the CAC to outline possible compromise alternatives. At the November T&LU Committee meeting, the committee chairman suggested postponing the final decision until the staff and the CAC had sufficient time to develop an acceptable compromise solution, or until the CAC understood and accepted the reasoning behind staff proposals.

Full agreement was never achieved, and the CAC continued to support a set of proposals different from those that were eventually adopted. However, a compromise solution was developed that addressed at least some of the CAC's concerns. In February, the T&LU Committee passed the revised set of recommendations on to the full council.

Concerned discussion of proposed changes continued at the February 22 meeting of the city council, and at least three council members expressed strong misgivings about the recommended approach. In the end, the mayor played a significant leadership role, and swung the balance with a strong endorsement of the staff's proposals. Private sector/USS proposals were approved, with the proviso that staff report back in six months and be prepared to return to city operation if the council so directed.

### 2.2.4 Other Actors

Several actors were less directly involved in the decision-making process. These included government agencies at regional, state and federal levels, and the media.

2.2.4.1 Regional Review. The San Diego Association of Governments (SANDAG) acts as the areawide clearinghouse for the A-95 review of grant applications to the federal government. Consequently, in August 1981, the city's application for an UMTA grant was forwarded to SANDAG for their review. The written SANDAG review was completed in September, and included as part of the application package. Although supportive of increased private sector involvement, the review questioned certain aspects of proposed changes, including the cost-effectiveness of the user-side approach and the adequacy of proposed limits on individual usage.

2.2.4.2 State and Federal Agencies. State and federal agencies have been involved with changes to the city's demand-responsive services primarily as contractors, funding study and demonstration of innovative transportation concepts. At the federal level, UMTA/SMD grants have included those for taxi regulatory revision; for a study, funded in 1980, to develop a plan for coordinating social service agency transportation resources; and, most recently, for conversion of the city-operated dial-a-ride and development of USS as a coordination mechanism. At the state level, the California Department of Transportation (CALTRANS) provided the demonstration grant used by the city to test developing-areas service. In addition, CALTRANS staff worked with staff of the City of San Diego and SANDAG in conducting the 1980 UMTA-funded study on social service agency coordination and, later, provided a demonstration grant to be used by the city in implementing the results of that study.

2.2.4.3. The Media. Media coverage concerning proposed changes was provided primarily by two major local newspapers, the Tribune and the San Diego Union. In addition, there was occasional television news coverage. Several newspaper articles were published, coinciding with the council meetings. The articles made mention of, or drew information from,

four dial-a-ride users (and one relative), eight agency representatives (seven opposed and one endorsing), five council members, and the assistant to the city manager (as staff spokesperson). There were no editorials.

The coverage was primarily a record of the open, public debate with little independent investigative reporting. In addition, as indicated in the headlines shown in Figure 2-2, newspaper coverage emphasized emotionally-charged issues, such as those concerning potential limits on individual usage, and focused attention on the concerns and anxieties of the individuals who were opposed to proposed changes. City staff felt that television coverage, not readily available for review by the evaluation contractor, was more balanced.

### 2.3 KEY POLICY ISSUES

The package of proposals that were developed by staff of the city manager's office, and adopted in modified form by the city council, go beyond the intent to simply integrate private providers into the publicly-subsidized transportation network for the elderly and handicapped. At least six major policy decisions were involved:

1. Private Sector: Use of the private sector for all dispatching and vehicle operations;
2. USS: Use of a user-side subsidy mechanism;
3. Usage Limit: Redistribution of benefits by limiting individual usage to an allotted amount;
4. Income Targeting: Restricting eligibility, and varying discount, by income level;
5. User Share: Requiring a greater user share of costs for individual trips;
6. Agency Coordination: Selection of the user-side subsidy mechanism as a primary coordinating mechanism for social service agency transportation resources.

<u>Date</u>	<u>Paper</u>	<u>Primary Headline</u>	<u>Secondary Headline</u>
7/28/81	Tribune	Dial-A-Ride Service May Be Cut	Taxicabs The Alternative
10/22/81	Tribune	Some Fret Over Dial-A-Ride Taxicab Plan	
10/27/81	Tribune	Council Stalls Action on Dial-A-Ride Proposals	
11/24/81	Tribune	Council Feels Sting of Dial-A-Ride Cutback Issue	Committee Takes Public Fire
1/29/82	Tribune	There May Still Be Some Life (in the City Dial-A-Ride Program After All)	
1/19/82	Union	City Officials Seek Ways To Help Struggling Bus, Dial-A-Ride Systems	
2/23/82	Tribune	Dial-A-Ride System Revamped by Council	
2/23/82	Union	City Council Revises Dial-A-Ride System	Limit on Rides Per Patron

FIGURE 2-2. NEWSPAPER COVERAGE OF PRE-CONVERSION PROCESS

The following sections discuss major arguments raised concerning each of these changes during the decision-making process in San Diego. Key points are summarized in Table 2-1.

### 2.3.1 Use of the Private Sector

Staff of the city manager's office believed that private sector operation would result in more cost-effective service than would continued public operation. In fact, they argued that use of the private sector for all components of service would provide twice the number of passenger trips for a given level of expenditure. Those opposed to the changes disagreed. As discussed below, the debate focused on disagreements concerning: (1) units of measure for cost comparison, (2) analysis of capital costs, and (3) inflationary trends.

The city manager's office saw local taxi rates, even on an exclusive-ride basis, as less expensive per passenger mile than operating costs per vehicle mile for the city's dial-a-ride.\* The use of cost per vehicle mile for the city system was based on the perception that there was no significant shared-riding on that system, except for group subscription tours.\*\* Opponents argued that data supplied by the city to the state indicated significant shared-riding on the current system, and that the city dial-a-ride cost per passenger mile was less than current taxi rates. As a result, any increased cost-effectiveness would depend on a significant amount of productive shared-riding on taxis. However, there was no shared-ride taxi dispatching taking place in San Diego, and the staff's proposals contained no additional incentives for the providers to do so.

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\*Greater vehicle coverage and lower wage rates were cited as primary reasons for the private sector's lower unit costs.

\*\*As discussed in later sections, one objective of the proposed changes was to move away from provision of subscription service, and to distribute fundable trips over a larger population.



TABLE 2-1.

POSITIONS TAKEN ON ISSUES AND ALTERNATIVE PROPOSALS

CITY MANAGER'S OFFICE	OPPOSITION GROUP CONCERNS	OPPOSITION PROPOSALS
1. <u>Use of Private Sector</u>		
o More cost-effective	o Questionable as to cost-effectiveness	o Continue current "cost-effective" public operation
o Would eliminate need for vehicle lease/purchase	o Vehicle problem already planned for	o Use plans to replace vehicles
o Already demonstrated via taxi supplementary program	o Taxi supplementary program not sufficiently evaluated	o Expand use of supplementary taxi to the extent needed and proven to be cost-effective
o Better cost control	o Too little public control; private sector charges may escalate once program is underway	
2. <u>User-Side Subsidy Mechanism</u>		
o Competition via multiple providers should keep service quality high, rates low	o Multiple providers increase administrative burden and quality control problems	o Consider central dispatch by city, coupled with taxi provision of trips
o Users have incentive to share rides; regional carpool broker will help	o There is no shared-ride taxi service; users cannot form groups on their own	o Conduct a test of USS in one area of the city

TABLE 2-1. (Continued)

CITY MANAGER'S OFFICE	OPPOSITION GROUP CONCERNS	OPPOSITION PROPOSALS
<ul style="list-style-type: none"> <li>○ Users can choose their own provider, day and time for a trip; advance reservation not required</li> </ul>	<ul style="list-style-type: none"> <li>○ Coupon system may be confusing to both drivers and users: drivers likely to be insensitive, and poorly trained to handle emergencies</li> </ul>	<ul style="list-style-type: none"> <li>○ Commit the city to serving need instead of preparing for future budget cutbacks</li> </ul>
<ul style="list-style-type: none"> <li>○ USS demonstrated elsewhere</li> </ul>	<ul style="list-style-type: none"> <li>○ USS not sufficiently demonstrated in urban area the size of San Diego</li> </ul>	
<ul style="list-style-type: none"> <li>○ Provides administrative budget flexibility</li> </ul>	<ul style="list-style-type: none"> <li>○ Would make it easy for city to reduce or eliminate funding to specialized transportation services</li> </ul>	
<ul style="list-style-type: none"> <li>○ USS can be used as a coordinating mechanism for SSA transportation</li> </ul>	<ul style="list-style-type: none"> <li>○ (See Issue #6)</li> </ul>	

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3. Individual Usage Limits

<ul style="list-style-type: none"> <li>○ Large unmet need exists</li> </ul>	<ul style="list-style-type: none"> <li>○ Unmet needs are unknown; restrictions may be unnecessary</li> </ul>	<ul style="list-style-type: none"> <li>○ Continue serving current users</li> </ul>
<ul style="list-style-type: none"> <li>○ Would distribute resources more equitably than "first come, first served" approach</li> </ul>	<ul style="list-style-type: none"> <li>○ Inconvenience screening means that those who manage to use old DAR are probably the most needy; new system may be overwhelmed by those with lower priority needs</li> </ul>	<ul style="list-style-type: none"> <li>○ Rescreen those registered and enforce use of transit and automobile ownership criteria</li> </ul>

TABLE 2-1. (Continued)

CITY MANAGER'S OFFICE	OPPOSITION GROUP CONCERNS	OPPOSITION PROPOSALS
<ul style="list-style-type: none"> <li>o A small number of trips is all that can be afforded</li> <li>o SSAs have resources for those affiliated with agencies; city should concentrate on others not connected with agencies</li> </ul>	<ul style="list-style-type: none"> <li>o Too few trips allowed; real distances not accounted for</li> <li>o SSAs are facing their own cutbacks; the public pays either way</li> </ul>	<ul style="list-style-type: none"> <li>o Take more time to study the needs before establishing any new individual usage limits</li> <li>o Look at the cost of <u>not</u> providing transportation for jobs and training programs</li> </ul>
<p>4. <u>Income Targeting</u></p>	<ul style="list-style-type: none"> <li>o Income eligibility criteria needed to control demand with increase in level of service</li> <li>o Income targeting via income limits and discounts is a reasonable goal; many social programs have such criteria</li> <li>o There would be an allowance for special income needs of the handicapped</li> </ul>	<ul style="list-style-type: none"> <li>o Income limit, which would affect only 2% of current users, would pose unnecessary administrative burden</li> <li>o Income targeting is demeaning and counter to the principle/definition of <u>public</u> transportation; system will feel like a welfare program</li> <li>o Simple income limits don't account for special needs; too much administrative burden to make it worthwhile</li> </ul>

TABLE 2-1. (Continued)

CITY MANAGER'S OFFICE	OPPOSITION GROUP CONCERNS	OPPOSITION PROPOSALS
5. <u>Greater User Share--Increased Fares</u>		
<ul style="list-style-type: none"> <li>o Previous fares "artificially low"; the service is worth it; trolleys return 80%, SDTC 40-50%</li> </ul>	<ul style="list-style-type: none"> <li>o TDA requires only 10% fare-box recovery</li> </ul>	<ul style="list-style-type: none"> <li>o Reconsider the whole package of proposals for ramifications and alternative</li> </ul>
<ul style="list-style-type: none"> <li>o Facing reductions in public resources; other USS charge more than 10%</li> </ul>	<ul style="list-style-type: none"> <li>o What analysis of needs and resources justifies the dramatic change of policies?</li> </ul>	
<ul style="list-style-type: none"> <li>o Provides price discipline re: length of trips and use of alternatives; group-riding can reduce fares and increase productivity</li> </ul>		
6. <u>SSA Transportation Coordination Via USS</u>		
<ul style="list-style-type: none"> <li>o USS one method identified as a coordinating mechanism; can be tried in the city as one test</li> </ul>	<ul style="list-style-type: none"> <li>o Not one of the recommendations of recent three-agency study; consolidation of functions possibly more cost-effective than decentralization via USS</li> </ul>	<ul style="list-style-type: none"> <li>o The city-operated dial-a-ride should be one of the systems to accept coupons and should be the hub of any coordination effort.</li> </ul>

Of particular concern to the city manager's office was the fact that the city had an old and deteriorating fleet, and would soon have to purchase or lease new vehicles. It appeared to them to be a good time to switch from the public to the private sector, since purchasing or leasing new vehicles would make an implicit commitment to continuing the city's operation. In preparing cost comparisons, they were concerned that capital depreciation costs were not specifically included in operating costs for the existing system, and added \$700 per month per vehicle to projected public dial-a-ride costs to account for vehicle leasing. Those opposed to the changes suggested that the dial-a-ride operations staff were already formulating plans for fleet replacement and expansion.\* In addition, they suggested that the staff's analysis failed to account for equity build-up in the existing fleet, or for the availability of capital funding programs as a possible source of new vehicles.

Finally, staff of the city manager's office were concerned by what they perceived to be the escalating costs of public operation, and cited an average 19% annual cost increase for dial-a-ride over the previous three years. Opponents questioned the 19% figure cited by staff. In addition, they viewed the use of the private sector as opening up the prospect of escalating charges by contractors. The fact that one of the

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\*Starting with the FY82 budget, approximately \$170-190,000 was added to the budget due to expected increases in available TDA funding. Of this amount, \$100,000 was tentatively allocated for re-building some of the existing vehicles. An additional \$70,000 was set aside for a lease-option program to purchase 12 lift-equipped vans on a monthly installment basis. As an alternative, some or all of the \$100,000 being allocated for vehicle repair could be used for lease-purchase, and/or a portion of the current fleet of 24 vehicles could be liquidated to provide additional funds for lease purchase. Finally, the city was applying for three vehicles from the state for "developing areas" services.

companies that bid for wheelchair-accessible service openly underbid its own costs for the sake of obtaining the contract was cited as an example of how the private sector might "get its foot in the door" only to become more costly in the end.\*

The private sector was already being utilized for 10% of dial-a-ride trips via the supplementary taxi program for medical trips. In general, both sides were satisfied with this program but drew separate conclusions. Staff of the city manager's office saw it as a demonstration of the workability of using the private sector for all services. Opponents saw it as a desirable back-up for time-constrained medical trips that could not be dispatched into more productive shared-ride scheduling, but not as proof that the private sector should be relied upon for all trips. They called for continued operation of what they termed the "cost-effective" city operation, using whatever means were possible to replace vehicles via purchase or lease, and for expansion of the supplementary taxi program to the extent that it was needed and proven to be cost-effective.

### 2.3.2 Use of User-Side Subsidy (USS)

From the standpoint of the city manager's office, a USS program offered the maximum opportunity for competition among multiple providers. Increased competition, in turn, was expected to result in innovative, high quality service at the lowest cost. This perspective was the same as that behind the taxi regulatory revisions--open-entry, variable pricing, and

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\*One proposal contained a bid price considerably below costs--by approximately \$1 per mile. This bid price was designed to meet the cost per vehicle service mile that was reported for the existing dial-a-ride operation. The proposal also noted that the projected mileage of the RFP was only an estimate, implying that the bidder was willing to test the demand at a firm price that the city would have to see as competitive with its current costs.

allowance of shared-riding--that had been implemented over the previous several years in San Diego. Those opposed to proposed changes feared that involvement of multiple providers via a scrip system would lead only to greater administrative burdens, potential user/driver confusion, and the loss of productive shared-riding.

As mentioned in Section 2.3.1, the taxi industry was doing nothing to facilitate shared-riding, and opponents felt that it would be unrealistic to think that dial-a-ride users themselves could accomplish group-riding to any significant extent. As an alternative, they suggested a combination of central dispatching by the city with use of taxi services to provide the trips. Trips could be parceled out to different providers, but on a productive shared-ride basis and with direct public-sector participation. The city manager's office countered that USS provided sufficient incentive for users to share rides, since their discounted coupons would go further and that the regional carpool broker could help them form groups. Central dispatching would prove to be an overlapping and unproductive step in the process.

The city manager's office contended that a USS system provided three aspects of service that would not be available from a system involving any public operation: 1) user choice of providers, 2) 24-hour service, seven days per week; and 3) no requirement for advance reservations. The city manager's office cited the fact that the public operation had historically received many service complaints, usually concerning pick-up time reliability and total travel time. It was suggested that taxi service for most individuals would be a significant improvement. The opponents, while admitting that the city operation could be improved, contended that a private-sector system, with too many providers, would provide too little control of service quality. Of particular concern were driver sensitivity and training to deal with emergencies.

Again, city administrators countered that USS on taxis had been proven acceptable elsewhere, and that placing purchasing power in the hands of users gave them maximum leverage to voice their dissatisfaction by seeking a different provider. This did not satisfy the opponents who saw the taxi industry as too inconsistent, from one driver to the next, for a vulnerable client group--especially in a "big city" and "deregulated" environment such as San Diego. They insisted that USS had been sufficiently demonstrated only in smaller towns or small areas of larger cities. From their perspective, San Diego would be a "guinea pig" for further testing of USS. In the process, a satisfactory and possibly more cost-effective city-operated service would be dismantled and lost.

USS was also seen by the city manager's office as providing maximum administrative flexibility to distribute available resources to meet expressed demand; any significant changes in resources or demand could be quickly translated into a new discount or trip-limit policy. This consideration was an important one to the city administrators at a time when continued state funding of TDA Article 4.5 projects was uncertain. On the other hand, those opposed to the changes feared that the increased flexibility of a USS system would make it too easy for the city to reduce or eliminate funding for specialized transportation services. To them, city administrators appeared to be focusing too exclusively on potential budgetary restrictions, and showing too little concern for user needs.

### 2.3.3 Individual Usage Limits

The city manager's office assumed that there was a large unmet need for dial-a-ride service. Various SANDAG figures were cited to indicate that as many as 36,000 "transportation handicapped" persons lived in San Diego; some smaller number would not have the use of a household vehicle, but certainly a number much greater than the current registration list of 4,000 persons. Even for those who were registered, existing services



were believed to be insufficient, based on a widespread opinion that many persons were not able to get through to the dial-a-ride on the phone. In addition, one staff member cited a figure of some 200 trip requests that could not be served in a week of operations studied a few years previously. Analysis of the trip logs over a two-month period of time showed that only 500 to 700 individuals used the system each month. A smaller number of users (approximately 100) rode the system on a regular, subscription basis.

From an equity standpoint, staff of the city manager's office felt strongly that systematic distribution would be preferable to the current "first come, first served" procedure. In particular, they felt that it was inequitable for 100 clients to have daily round-trips to and from only four agencies via subscription tours. Instead, they contended that the facts of finite resources together with a large unmet need warranted a "life-line" policy whereby only a small number of trips could be provided for each individual for the few absolutely necessary medical and shopping purposes.

Opponents saw the figure of 200 unserved trip requests as old data not taking into consideration improvements made since that time. The city-operated dial-a-ride was seen as a well-publicized, known, and mature service in the community. Therefore, the current number of users might represent the true need. Even if the current resources weren't serving all trips desired by those registered, those who managed to use the system might be those with the greatest need--i.e., the current procedure acted as an inconvenience test. The city manager's office countered that it was more likely that those who knew how to use the system or had an agency advocate received the service, and that others received an unfairly small proportion of the trips.

Opponents suggested that subscription trips actually represented more productive use of the system (via shared-ride tours). In addition, they contended that the cost to society

of not providing such trips was greater than that of providing them, since they provided (or were part of programs aiming for) income independence.\* By instituting usage limits, the city would be denying current daily trips for training and work, in return for an unknown demand. If a large unmet need did materialize, it might merely overload the system with needs of lower priority, since there would be no restrictions on trip purpose. In addition, the proposed limits, which attempted to anticipate an increased demand, were seen as much too restrictive for persons with severe needs.

The city manager's office felt that anyone who had a daily need for special transportation for work, training or therapy purposes would normally be a client of a social agency which could use its resources to sponsor the necessary transportation; it was pointed out that some agencies did so while others used dial-a-ride resources. The staff contended that the city's TDA resources should be focused on those individuals not affiliated with agencies. Agency representatives responded that all social service programs were facing cutbacks, and that any involvement in transportation outside their program hours would significantly deplete their resources. Current agency funding sources might even begin to forbid the use of decreasing program funds for transportation. Neither the city manager's office nor the city council wanted to assume increasing responsibility for agency-related transportation needs, and both resisted the implication that such responsibility belonged to the city.

#### 2.3.4 Income Targeting

The city manager's office considered it likely that the level of service would improve considerably under a private

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\*Various comparisons were made to show that providing training and transportation to work (minus income taxes paid) was less costly than welfare programs.

sector/USS system, and wanted to avoid opening the program to those who could afford private transportation of their own. To accomplish this, an income limit was suggested that would exclude only 2% of current dial-a-ride users.

The opposition suggested that, since only 2% of current users would be affected, the income limit posed a potentially unnecessary administrative burden. Also cited were the difficulty of determining special income needs, and the fact that an income limit would contribute to the notion of dial-a-ride as a "welfare" program. In particular, it was asked why there should be an income consideration for this service when there were no income restrictions on other forms of public transportation. Again, opponents were concerned that the city was lessening its commitment to publicly-funded specialized transportation services.

#### 2.3.5 User Share of Costs

The proposed USS discount rates and resulting user share (or fares) received little comment in the public debate until after the February 22, 1982, decision by the city council. Subsequently, a request by city staff for a fare increase on the existing system was considered by the city council. The fare increase (to \$1 per zone) was needed to meet the state's requirement for a 10% farebox recovery. In addition, it would serve to reduce the projected disparity between fare costs of the USS/taxi component and those of the other components, which would continue using the zone fares.

It was at this point that the connection was made between the proposed USS discounts and the fares that would result for the taxi/USS component. For example, a five mile trip would have an estimated total taxi cost of \$6.00. A user in the lowest user-share category (25%) would pay a user fare of \$1.50 for such a trip; a user in the highest user-share category (35%) would pay \$2.10. Under the existing zone-fare system (\$.50 for the first zone and \$.25 for each additional zone) such a trip might cost either \$.50 or \$.75. The contrast would

be even greater if one considered a 10-mile trip for medical purposes. Previously, the maximum fare for a medical trip was \$.50; under the USS discount program, the user fare would range from \$2.75 to \$3.85.

From the perspective of the city manager's office, the previous fares had been kept artificially low over the years and did not provide sufficient price incentive (or discipline) to encourage users to limit trip mileage. They cited the fact that most USS programs have a greater than 10% user share. In addition, some users had indicated that an increased fare was preferable to a decrease in service. Staff argued that the level of service would increase under a private-sector USS system, and would be worth the higher fare. Finally, increased user fares would not be used to replace tax dollars in the program but rather to allow the tax dollars to be spread over more trips. Any decrease in the amount paid by users would merely decrease the number of trips that could be subsidized by the fixed amount of TDA funds available. Again, the intention was to distribute the benefits more widely by decreasing the concentration of public resources on individual trip-makers and individual trips.

Opponents saw the increased fares as a serious hardship for many individuals and as going too far beyond the state's 10% requirement. Not only would individuals not be able to take as many trips as they could before, but they would be paying more for them.

Concerned that other ramifications of the proposed changes were not sufficiently understood, opponents requested that the council reverse its earlier decision in favor of a full alternatives analysis. In the meantime, the system could continue functioning with a less drastic change to the fare structure to meet the state's 10% requirement. The city council disagreed and followed the recommendation of the staff, increasing the zone fares the full amount requested.

### 2.3.6 USS/SSA Coordination

Staff of the city manager's office saw this mechanism as a way to enhance the potential for coordination of social service agency transportation resources. The city would be leading the way, so to speak, in the establishment of a scrip system which agencies could join. Agencies needing transportation for their clients could enter the system as purchasers of service. Agencies having excess vehicle capacity could enter the system as providers of service. City-issued scrip would serve as a convenient mechanism for record-keeping and payment.

The opponents, on the other hand, saw other forms of coordination as being more productive in the near term.\* In addition, they believed that any testing of USS (in general or as a coordinating device) should be funded from new sources, and not depend on dismantling the existing system for a set of "unknowns." Even if USS were implemented, the public dial-a-ride system could be a provider, and might eventually serve as the hub of a system that would coordinate all available resources.

In general, far less concern was expressed about social service agency coordination than about proposed changes to the city's dial-a-ride system. Discussion that did occur regarding agency coordination took place primarily at the staff level-- and in later conversations with the evaluation contractor--not as part of the public debate. Use of the user-side mechanism to facilitate agency coordination was approved by the council

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\*The UMTA-funded coordination study, begun in 1980 and conducted by staff of the city's paratransit office, SANDAG, and CALTRANS, was completed in the midst of the debate over dial-a-ride conversion. The draft report, submitted to UMTA in December 1981, included the following types of recommendations, but made no mention of USS as a possible coordination strategy: formation of a paratransit coordinating council; formation of a private, non-profit agency to serve as a broker for paratransit services; development of an information and referral service; encouragement of, and development of mechanisms for, vehicle timesharing and joint purchase of support services.

as part of the overall package of proposals, though implementation was postponed until after proposed changes to the dial-a-ride system had been accomplished.

## 2.4 TECHNICAL ISSUES

The debate over the proposed conversion to private sector/ USS operations focused on policy issues, not technical issues. In fact, even if those opposed to the changes could have proven conclusively that the proposed system would be less cost-effective than the publicly-operated dial-a-ride, it is likely that the city would have continued to pursue proposed changes for other reasons (e.g., the desire to address perceived inequities in the distribution of service and the desire to reduce the city's administrative burden). A few comments on the technical aspects of the process are offered here, however, as the basis for further discussion in Chapter 4.

### 2.4.1 Productivity of Subscription Tours

As of the spring of 1981, approximately 100 individuals were taking reserved subscription trips on a regular basis. During the debate over proposed changes, staff estimated that subscription tour users represented approximately 15% of all users, and took 36% of the trips provided. The last fact was generalized to "using 36% of the service." Viewed from another perspective, however, the total vehicle time consumed by subscription service was approximately 10% of the total vehicle hours available to the system. Since the staff estimate was based on the proportion of all trips received, not on the proportion of all resources required to provide the service, it gave no credit for the significantly greater productivity of the subscription tours.

Proposed limits on individual usage, which would have the greatest impact on subscription users, represented one of the most sensitive issues addressed as part of the decision-making process. However, analysis of the relative productivity of

subscription versus non-subscription service was never introduced as part of the public debate.

#### 2.4.2 Selection of Private Contractors

In September 1981, an RFP was issued for two separate components of service: (1) for nonambulatory service within the city limits, using wheelchair accessible vehicles; (2) for both non-ambulatory and ambulatory service in three "developing areas." In response to the RFP, the city received five proposals from well-established companies with extensive experience in specialized transportation services. A sixth proposal, submitted by the dial-a-ride operations manager, suggested a "quasi-city agency" utilizing existing management, labor, space and equipment leased from the city, but under a private corporation to be formed.

The key point to be made about the RFP process is that it was complicated by uncertainties regarding projected demand and productivities, and by ambiguities regarding mileage terminology. These ambiguities, in turn, reduced the usefulness of resulting proposals to the decision-making process.

For example, the RFP for the first project specified an average trip length of six miles. However, it did not indicate which of four possible interpretations should be applied to the figure:

- a. An average number of all vehicle miles per passenger (including dead-head mileage);
- b. An average number of in-service vehicle miles per passenger (not including dead-head mileage);
- c. An average number of direct origin-to-destination (O-D) miles per passenger;
- d. An average number of circuitous, shared-ride miles for each passenger while in the vehicle.

Likewise, an instruction that the proposals were to contain "firm costs per passenger mile of service" did not indicate

which of the two possible interpretations (c or d above) should be applied.

Responding bids ranged from \$1.76 to \$5.28 "per mile", with a fair amount of confusion and ambiguity as to what type of mileage was being referenced in the bid. Only two proposals clearly stated the assumptions that were made about the vehicle operating mileage that would be required, and only one of these two proposals was unambiguous in defining how "passenger miles" were calculated (indicating that circuitous passenger mileage in cases of shared riding would be included).

In addition, the RFP for the first project provided a demand projection of 60 one-way passenger trips per day, which represented 10% of the total dial-a-ride ridership and 12% of the ridership on the city vehicles (not including the supplementary taxi component). In this case, considerable uncertainty arose from questions about the amount of productive shared-riding that could be accomplished with one-tenth of the demand spread over the same service hours and area.\* As a result, there were significantly different assumptions, among the three final proposals, as to the number of vehicles, drivers and mileage that would be required to serve the projected demand. To determine the effect that these productivity assumptions had on the comparative projected costs, the evaluation contractor recalculated the budgets, using the operational costs as specified by each bidder but keeping the productivity figures constant. The result was that, given the demand level specified in the RFP and the best productivity figures of the three proposals, all three cost

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\*The only existing reported data involved the whole of the dial-a-ride market with a ten times greater demand density and at least a nine to one mix of ambulatory persons to wheelchair users and frail elderly. In fact, none of the bidders had any other service contract elsewhere to draw upon for directly transferable experience; the potential San Diego contract would be unique in its concentration on one submarket for the entire city.



projections would have been nearly identical. This is the case even given significantly different labor costs, administrative overhead, miscellaneous costs and profit margins. In fact, the latter differences essentially cancelled each other out, and the productivity assumptions resulted in the different cost projections. In essence, then, the proposals were rated on the basis of the willingness of the bidder to project a higher productivity than the competition.

#### 2.4.3 Cost-Effectiveness of Public vs. Private Operations

Staff and opposition engaged in considerable debate concerning the relative cost-effectiveness of public and private operations. The following points summarize ways in which the analysis of cost-effectiveness might have been improved. More detailed discussion is provided in Appendix B.

- o Vehicle Service Miles vs. Passenger Miles. City staff based its comparisons on cost per vehicle service mile. This approach failed to account for higher levels of group- and shared-riding on the city system. The opposition used costs per passenger mile, but failed to account for circuitous mileage on the city system, or to credit taxi rates with possible group- or shared-riding.
- o Capital Depreciation and Maintenance. In estimating future public dial-a-ride costs, city staff added \$700 per month per vehicle to account for vehicle leasing. No adjustment was made for the fact that recent operating costs for the public system had included very high costs for vehicle maintenance that would no longer be required for newer vehicles.
- o Miscellaneous Public Dial-A-Ride Costs. Analysis of the public system did not include miscellaneous costs (equivalent to less than \$.05 per passenger mile) for insurance, and for legal and personnel functions.
- o Inflation and Productivity Trends. Staff frequently referred to an average 19% annual increase in the public dial-a-ride budget, without taking into account changes in service or productivity. In fact, at least two of the dial-a-ride unit-cost performance indicators had decreased during FY 1981, and two additional indicators had essentially stabilized. No inflation factor was included in analysis of costs for the private sector.

- o Taxi Rates. Staff analysis underestimated the effect of the flag drop charge on the cost per mile of the shorter trips expected on the proposed system. In addition, the analysis did not account for metered time charges, for public sector costs that would be required to administer a taxi/US\$ system, and for taxi inflationary trends.

An analysis incorporating these considerations would have shown projected public sector unit-costs to be equal to or less than those for private-sector operations. (See Appendix B, Table B-1.)

### 3. IMPLEMENTATION AND INITIAL OPERATIONS

#### 3.1 DIAL-A-RIDE CONVERSION

With city council approval of the conversion at the end of February, the transition to private-sector services began. The following sections discuss events surrounding the establishment of new services, beginning with the mechanics of the transition process, and continuing through the first 18 to 24 months of operation. Key milestones are summarized in Figure 3-1. Initial demand and productivity data are summarized in Section 3.1.4.

##### 3.1.1 Transition Mechanics

The initial goal was to complete the changeover to private-sector operations by June 1, three months after approval. However, the conversion was a more difficult task, and took longer than initially anticipated. The first user-side subsidized taxi trip took place in the first week of August; the last day of city operation was October 8. The following sections discuss various elements of the transition process, including staffing, registration of users, and initiation of each service component.

3.1.1.1 Staffing. The assistant to the city manager, who had played the key role in promoting proposed changes, participated in the design of the rescreening process and continued to be the primary liaison with UMTA until approval of the SMD grant in June. All other aspects of the transition became the responsibility of a new paratransit administrator, who had been selected, in part, because of her support of private-sector

1982

February	City council approves system conversion
March	Rescreening begins
April	
May	
June	Initial goal for new system operation
July	
August	Taxi-ambulatory service begins
September	Wheelchair-accessible service begins
October	Subscription service begins; city-operated dial-a-ride service ends
November	Scrip limit raised from \$32 to \$40 per person per month
December	Developing-areas service begins

1983

January	
February	City council review of converted system
March	
April	
May	
June	Begin expanded mailing to eligible users
July	Subscription service ends; city council review of developing-areas service
August	
September	Retirement of scrip from FY 83
October	City council review of converted system
November	
December	Begin consignment of scrip to social service agencies

FIGURE 3-1. CHRONOLOGY OF EVENTS  
FEBRUARY 1982 TO OCTOBER 1984

1984

January	Return to \$32 limit per person per month; non-contract provider begins providing wheelchair-accessible service on user-side basis
February	Begin sale of scrip to non-ambulatory users
March	Developing-areas contract service ends; city council review of converted system
April	
May	
June	
July	City council approves use of city funds to compensate for cuts in requested state funding
August	
September	
October	Conversion of all non-ambulatory users to USS

FIGURE 3-1. CHRONOLOGY OF EVENTS  
FEBRUARY 1982 TO OCTOBER 1984  
(Continued)

operations and her experience with a successful user-side subsidy program in another urban area.

Concerns about project staffing were predominant during the early months of the transition. Various personnel and funding issues\* delayed hiring of a full complement of permanent staff until the beginning of October. Consequently, the majority of the day-to-day details were handled by the paratransit administrator, who was responsible for administering the entire paratransit office. The rescreening team was composed of temporary part-time employees, including, at one point, some laid-off drivers from the city-operated dial-a-ride. Turnover was high, which added to the managerial burden.

By early October, all project staff had been hired. As initially structured, the staff were composed of a contract administrator (responsible for provider-related tasks, such as contract negotiation and reimbursement for services), a USS coordinator (responsible for user-related tasks, such as applicant eligibility determination and coupon sales), two to three field representatives, and one clerical person. This arrangement remained fairly constant for the first six months of operation.

3.1.1.2 Rescreening and Public Information. The first step was to design a new application form and process, to rescreen all registered users and to determine eligibility for new applicants. Appendix C contains old and new application forms and related literature. In addition, a public information campaign was initiated to solicit applications from potential users. Included as part of that campaign were mailings to the pre-existing registration list, notices and

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\*Hiring was subject to the city's civil service procedures. Uncertainty about approval of the UMTA grant posed further delays, since the city had hoped to use those funds for the rescreening.

applications on the city vehicles, briefings for hospital social workers, distribution of 15,000 applications through social service agencies, posters at libraries, news releases, announcements in agency newsletters, and radio and television public service announcements.

The rescreening process went more slowly than expected in terms of the flow of applications from potential users. It was approximately five months before applications reached the level of 3,000 persons--a year before they reached the level of 4,000 persons. A more rapid pace of registration had been expected, given that 4,000 persons had been registered for the "old" system. Since that list had never been purged, however, it gave an inaccurate impression of what could be expected. In fact, only 1,500 of the individuals on the original list reapplied.\*

Staff encountered three basic types of problems during the rescreening period. First, several items were overlooked in the design of the new application forms: 1) household size, 2) specification that household, as opposed to personal, income was desired, 3) phone number, and 4) "over" at the bottom of the first side (with the result that many applications were not completed on the back side). This added a significant amount of processing time for the rescreening team which began its work at the beginning of May.

Second, as mentioned in Section 3.1.1.1, turnover of the rescreening team was high. Training of the team, and its

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\*In January 1983, a summary was made of the eligibility status of previously registered users. Of the 4,000 users registered for the "old" system, 61 percent had not reapplied, presumably because of death, deteriorated health condition, or change in eligibility status (e.g., change in residence, improved health condition, or inability to meet new income criterion); 5 percent had been judged ineligible, based on change in eligibility status; 4 percent had been registered for non-ambulatory service; 31 percent had been registered for remaining service components.

performance in communicating with the public, suffered accordingly. By the end of June, it had become apparent that some confusion existed in the community concerning the dial-a-ride conversion. As a result, the paratransit administrator instituted additional training, and a phone contact was made to every applicant. Staff estimate that, during the initial re-screening period, an average of three calls were made to each applicant. By the end of July, this situation had been turned around, and sufficient information was available to the public.

An additional problem was the proposed date of conversion, which was changed three times: from June 1, to July 1, to July 15. In the end, staff decided that there would be no single day for conversion. Instead, ambulatory persons would switch to taxis as soon as their application had been approved and they had ordered and received scrip from the city. Those who would use the wheelchair-accessible or daily-subscription services would change as soon as those contracts had been arranged. In the meantime, the paratransit administrator guaranteed that the city's operation would continue until all users had successfully converted. Though necessary in order to allay fears that the city operation would stop before other arrangements had been made, continuation of city operations (given deteriorating vehicles and morale) represented a significant challenge.

3.1.1.3 USS-Taxi Component. There was never any doubt on the staff's part that there would be adequate and enthusiastic participation by taxi companies. Appendix D contains a copy of the RFP, contract and associated forms utilized for this service. Beginning in August, there were eight companies participating. By the beginning of 1983, 15 companies were participating with a total of close to 500 vehicles. In addition, American Red Cross, which had been providing wheelchair-accessible service,



began accepting scrip and transporting individuals enrolled in the taxi/USS component.\*

By November 1982, staff had had several months of experience with program registration and scrip sales, and were no longer concerned about being inundated with demand for service. As a result, the individual limit for scrip purchases was raised to \$40 (from \$32) per month. In addition, users had initially been allowed to purchase only two months of scrip at one time. Beginning in November, this policy was changed to permit purchase of a six-month allotment at one time.

The USS component did experience two major problems during the transition period. The first was that printing of the scrip coupons took much longer than was anticipated. The coupons were not received until early July, and took an additional month to distribute.

The second problem lay in the plan to enforce a two-month expiration date on the coupons. Staff were concerned that there could be a gradual accumulation of coupons, resulting in a large obligation that could not be met if funding conditions suddenly changed. The time-dating solution, however, represented an enormous administrative burden, requiring timely distribution and refunding of scrip on a two month cycle. The fact that this was not likely to work was all but certain based on early printing delays. As a result, staff decided to change from bi-monthly to annual expiration dating.

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\*Service was provided to occasional ambulatory users until March 1984. Fares were \$.80 per capita, plus \$.80 per mile (first mile free), and advance reservations were required. The service operated 8 AM to 6 PM, Monday through Friday. Fares for shared rides were established separately for each trip, so as to exclude circuitous mileage.

3.1.1.4 Wheelchair-Accessible Service. American Red Cross was selected to provide wheelchair-accessible service on a provider-side subsidy basis. Negotiation of a contract was a complicated matter, however, since the RFP process had left many unanswered questions and ambiguities (Section 2.4.2). In fact, these issues were never fully resolved. Instead, a compromise was reached which provided in the contract (Appendix E), a maximum expenditure protection for the city and renegotiation options for American Red Cross.

The contract specified a maximum payment of \$175,818, to be applied in equal monthly limits over the course of the contract. Renegotiation options for American Red Cross encompassed four items:

- o Price of fuel;
- o Amount of fuel required;
- o Vehicle maintenance costs;
- o Average number of passenger miles per month.

If any of the first three items exceeded the bidder's projected budget, the rate could be renegotiated. Likewise, if the assumptions about volume of demand, productivity and computation of "passenger miles" were not borne out, the contractor could renegotiate the rate. These caveats eliminated any risk for the contractor based on assumptions made in development of the proposal.

The contract was negotiated by the end of August. Another month was required for council approval and transfer of vehicles. The new service began on September 27, and ran for two weeks concurrently with the city operation, to allow users that period of time for transition.

3.1.1.5 Daily Subscription Service. Daily-subscription service began on October 11, 1982, immediately following the end of city operations, and continued through July 31, 1983.

Two taxi companies, Yellow and American Sunshine, were selected through a competitive bidding process to provide service in two separate service areas. In addition, American Red Cross WHEELS provided service to a small number of users, all clients of Regional Center.\* The taxi companies charged the city \$1.30 per vehicle mile, minus the zone fare paid by the user; American Red Cross charged \$1.80 per passenger mile, minus the zone fare.

Registration, which had been running at 90 to 100 users prior to the transition, dropped to 64 in August 1982, and to 43 in November 1982. This drop in subscription users can presumably be attributed to a number of different factors: (1) assignment of four wheelchair users to wheelchair-accessible service; (2) reaction to the higher fares imposed in April 1982; and (3) natural attrition, since new users were not admitted to this service. In addition, attrition may have been accelerated, since users knew that they would eventually have to make other arrangements.

3.1.1.6 Developing-Areas Service. Community Transit Services (CTS), began providing lift-equipped "developing-areas" service on a provider-side subsidy basis on December 1, 1982. Service was provided in several communities in the southern (San Ysidro, Palm City, and Nestor) and northern (Mira Mesa, Rancho Penasquitos, Rancho Bernardo and Scripps Miramar Ranch) portions of the city. The new service, which was designed both to provide improved service to the residents of those communities and to interface with similar systems outside the city, served four basic types of trips:

- o Trips within the northern or southern project service areas;

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\*A state-funded agency, Regional Center arranges and pays for participation of developmentally disabled clients at a number of program sites in the area. Services provided include transportation to and from the program site.

- o Trips between a project service area and an adjacent dial-a-ride service area;
- o Trips between a project service area and regional medical facilities located within the city; and
- o Trips between an adjacent dial-a-ride service area and regional medical facilities.

The fare for local trips was \$1 each way. The fare for regional trips was \$2 each way, with transfer passengers paying a reduced fare.

3.1.1.7 City Dial-a-Ride Operations. Continuing the city's operation during the transition period was a challenge equal to setting up the new services. From the time that the private-sector proposals initially surfaced in July 1981, all employees of the city-operated dial-a-ride were confronted with questionable job security. Beginning in the fall of 1981, staff began to leave the project to pursue other job opportunities.

The other threat to the city operation was the condition of the vehicles. From March through September, the city was hard pressed to field the number of vehicles required. In addition, many difficult decisions had to be made about expenditures for maintenance and repairs. The supplementary taxi program was used more frequently and provided an important role in absorbing whatever demand could not be handled by city vehicles and drivers.\*

Coincidentally, the increase in fares on April 1, 1982, helped ease the situation, by significantly lowering demand. Within two weeks, city operations were decreased from 20 to 12

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\*Supplementary taxi service was provided by Yellow, Co-op, Checker, and Radio Cab Companies, all of whom continued to provide service under the new USS system.

vehicles. Within two months, demand was down from over 10,000 trips per month to a little over 5,000 trips per month.

The dial-a-ride staff was down to 10 persons by the end of July, when the operations manager left. A transportation supervisor was put in charge, and the person who would become the private-sector contracts administrator was dispatched from the paratransit administration office as a liaison to help keep operations going. As of October 1982, when the city ceased its operations, there were six remaining dial-a-ride staff.\*

### 3.1.2 Local Evaluation

In February 1983, one year after the initial city council decision, the program was reviewed once again by the city's T&LU Committee. The following sections discuss the context within which the T&LU review took place, staff recommendations to the committee, and the T&LU meeting itself.

3.1.2.1 Perceptions of Current Users.\*\* Overall, user reactions to the revised system were extremely positive. This had become evident to city staff by the end of 1982, in part as a result of positive feedback received through channels such as the Dial-a-Ride Citizens Advisory Committee (DAR CAC). In addition, compared with the old city-operated system, there had been a dramatic decrease in the number of user complaints received by members of the city council.\*\*\*

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\*Of the six, one retired. The rest were laid off but, for various reasons, never collected unemployment.

\*\*The perceptions discussed in this section are those of continuing users and do not represent the views of individuals who no longer use the system, for reasons such as changes in eligibility criteria or increased user share requirements.

\*\*\*This decrease may have resulted in part from a perception of reduced city responsibility for service quality.

In January, at the request of city staff, SANDAG conducted a telephone survey of city residents certified eligible for the program. The results of this survey documented, in more systematic fashion, the attitudes of continuing users toward the revised system. When asked to compare old and new systems, 76 percent of the taxi-USS users, and 65 percent of the users of wheelchair-accessible service, rated the new service as better than the old. When asked why they preferred the new service, members of both groups stated that they were more frequently picked up on time. In addition, taxi/USS users appreciated not having to make reservations 24 hours in advance. As shown in Table 3-1, each group was also asked to rate the old and new systems separately, first on overall service and then on several aspects of service quality. In every case, the new system was judged to provide better service than had the city-operated dial-a-ride.

TABLE 3-1.

CITY OF SAN DIEGO SPECIALIZED TRANSPORTATION SERVICES:  
PERCEPTIONS OF CONTINUING USERS<sup>1</sup>

	<u>Taxi/USS Users</u>		<u>Users of Wheelchair- Accessible Service</u>	
	Old System	New System	Old System	New System
Excellent or good overall service	47%	94%	37%	86%
Always or usually picked up on time	47%	98%	46%	98%
Drivers always or usually courteous	92%	100%	89%	100%

<sup>1</sup>Based on SANDAG survey of continuing users, January 1983.

3.1.2.2 Staff Recommendations. Analysis prepared by city staff for the T&LU Committee included findings from the user survey, as well as data on program registration, coupon sales, ridership and productivity. Analysis of operating data showed that the new system was carrying more trips, at lower cost per vehicle mile and per passenger, than had the city-operated dial-a-ride.\*

In their report to the committee, staff recommended that taxi/US\$ and wheelchair accessible services be continued, that the city dispose of its remaining vehicles, and that no change be made to eligibility criteria. Staff acknowledged, in supporting documentation, the desire of some individuals in the community for relaxation of eligibility requirements, but expressed concern that this would make less funding, and therefore less service, available for those currently eligible.

One policy change was recommended. At that time, as mentioned earlier, users received discounts ranging from 65 to 75 percent, based on household income. Given the relatively low median income (\$5,200) of the user population, only 332 users were registered at the lower (65 and 70 percent) subsidy levels. Staff's feeling was that the administrative expense of processing three separate groups of applications and coupon orders was not justified by the relatively small percentage of users falling in two of the categories. As a result, the

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\*These findings could be qualified in a number of ways. For example, data for the old system were for the period July 1981 through June 1982. This was an atypical period for the city-operated system, when costs had been extremely erratic and ridership had dropped dramatically, due in part to a fare increase (see Section 2.3.5), in part to anticipation of system conversion. Data for the new system would have compared less favorably with data for FY81. In addition, cost comparisons might have been less favorable had they accounted for considerations such as those mentioned in Section 2.4.3 of this report--e.g., use of cost per passenger (vs. vehicle) mile.

recommendation was made that the subsidy level be set at 75 percent for all users.

3.1.2.3 T&LU Committee Meeting. Discussion at the February 1983 T&LU Committee meeting was notable for its lack of controversy. The staff report was well-received by the committee. Only two individuals asked to address the committee: one representing the DAR CAC, the other a senior citizen's organization. Both spoke of the new system in very positive terms and supported its continuation, though each requested some changes in eligibility criteria.

The changes that were requested were as follows:

- o Auto availability. Redefinition of this criterion to indicate access to a working automobile for needed trips, not just household auto ownership. This criterion had caused considerable confusion and concern during the initial months of operation, not only on the part of potential users, but also on the part of staff determining eligibility.
- o Residency. Extension, on a time-limited basis, to otherwise qualified individuals who live outside the service area. This would apply, for example, to individuals temporarily residing in the city for medical treatment.
- o Special-need users. Partial relaxation, or redefinition, of the disability requirement. This would permit occasional use of the system by individuals who can ordinarily use transit, but who need more specialized service for a limited number of trips (e.g., shopping with heavy packages).

In reporting to the full council, the T&LU Committee did not recommend changes in residency requirements, but did recommend that staff be asked to study changes to auto availability requirements, as well as provisions for special-need users, and report back in six months. Staff recommendations regarding continuation of the program, changes in subsidy levels, and disposal of city-owned vans were endorsed as proposed.



### 3.1.3 Recent Program Changes

Subsequent to the February 1983 meeting of the T&LU Committee, and based on continued experience with the converted system, a number of additional program changes have been made. The following sections discuss those changes, as well as continuing concerns. Changes in program policies and procedures are summarized in Table 3-2.

3.1.3.1 Eligibility Requirements. The need for liberalization of eligibility restrictions has been expressed on a recurring basis by spokespersons for various user groups. As mentioned in Section 3.1.2.3, a change in interpretation of auto availability requirements (providing eligibility to individuals who own automobiles but are unable to drive them) was initiated at the February 1983 T&LU meeting. Two additional changes were made as a result of actions taken at the committee's March 1984 meeting:

- o Temporary eligibility. Provides a 30-day period of eligibility for individuals whose own lift-equipped vehicles are temporarily unavailable to them (e.g., due to vehicle repairs, temporary medical problems).
- o Age. Eliminates consideration of age in determining eligibility. Formerly, users were required to be 18 years of age or older.\*

A few remaining concerns have been expressed in interviews with the evaluation contractor. For example, concerns have been expressed about individuals who are not willing to see a doctor to obtain certification of eligibility and about income restrictions that might exclude middle income, disabled persons. For the most part, however, concerns about eligibility restrictions seem to have been resolved.

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\*Staff found that state regulations prohibited the use of age as a criterion of eligibility.

TABLE 3-2.

CHANGES IN PROGRAM POLICIES AND PROCEDURES

	1982	1983	1984
Eligibility Restrictions	<ul style="list-style-type: none"> <li>o Unable to use public transit</li> <li>o City resident</li> <li>o 18 years of age or older</li> <li>o Neither applicant nor spouse owns automobile</li> <li>o Income of applicant and spouse does not exceed 100% of area median (2/82)</li> </ul>	<ul style="list-style-type: none"> <li>o Auto availability criterion redefined: applicant does not have <u>access</u> to auto <u>owned</u> by applicant or spouse (2/83)</li> </ul>	<ul style="list-style-type: none"> <li>o Age no longer considered a factor in determining eligibility (3/84)</li> <li>o Temporary eligibility: 30-day period of eligibility for individuals whose lift-equipped vehicles are temporarily unavailable (3/84)</li> </ul>
Taxi Ambulatory Service: Scrip Sales	<ul style="list-style-type: none"> <li>o Increased limits for scrip purchases (12/82) —\$32 changed to \$40 per month per user —2-month changed to 6-month purchase at one time</li> <li>o Subsidy range 65-75% (2/82)</li> </ul>	<ul style="list-style-type: none"> <li>o Change to uniform 75% subsidy (2/83)</li> <li>o Return to 2-month limit on scrip purchases (6/83)</li> <li>o Retirement of scrip from FY 83 (9/83)</li> <li>o Begin consignment of scrip to social service agencies (12/83)</li> <li>o Return to \$32 limit per month per user (12/83)</li> </ul>	<ul style="list-style-type: none"> <li>o Change to one-half usual allotment for individuals who can use fixed-route transit, but need assistance getting to transit stop (3/84)</li> </ul>

TABLE 3-2. (Continued)

	1982	1983	1984
Taxi Ambulatory Service: Public Information/Marketing	<ul style="list-style-type: none"> <li>o Order forms mailed to active users</li> <li>o 10% discount offered by CO-OP Cab</li> </ul>	<ul style="list-style-type: none"> <li>o Order forms mailed to all eligible persons every two months (6/83)</li> <li>o Discounts offered by additional taxi companies, and publicized by city-prepared mailings (6/83)</li> </ul>	
Wheelchair-Accessible Service	<ul style="list-style-type: none"> <li>o One year contract with American Red Cross</li> </ul>	<ul style="list-style-type: none"> <li>o Contract extended one year (6/83)</li> </ul>	<ul style="list-style-type: none"> <li>o Addition of non-contract private provider (Chair There) (1/84)</li> <li>o Begin sale of scrip to non-ambulatory users (2/84)</li> <li>o Shift to hourly rate for contract service (5/84)</li> <li>o Contract extended one year (6/84)</li> <li>o Conversion of all users to USS (10/84)</li> </ul>
Subscription Service	<ul style="list-style-type: none"> <li>o One year contract with Yellow and American Cab</li> </ul>	<ul style="list-style-type: none"> <li>o End city subsidy (6/83)</li> </ul>	
Developing-Areas Service	<ul style="list-style-type: none"> <li>o One-year contract with CTS</li> </ul>	<ul style="list-style-type: none"> <li>o Continue demonstration one year (6/83)</li> </ul>	<ul style="list-style-type: none"> <li>o End funding; shift city residents to USS system (3/84)</li> </ul>

3.1.3.2 Taxi-Ambulatory Service. A number of recent actions have been taken to regulate demand for the taxi-ambulatory service component. Initial steps, initiated in early summer 1983, were designed to stimulate additional demand.

- o Regular mailing of order forms to all registered users. Beginning in June 1983, project staff began mailing order forms to all registered users; forms were mailed every two months.\* Prior to June, forms had been mailed only to "active" users (i.e., those that had previously purchased scrip). The purpose of this change in procedure was to stimulate broader interest in, and use of, the program.
- o Taxi company discounts. From the beginning of the program, CO-OP Cab had offered a 10% discount to eligible users. Beginning in July 1983, two additional companies (Orange and American) began offering discounts, which were publicized via city-prepared mailings (Appendix F).\*\*

By the end of 1983, use of the taxi-ambulatory component had doubled from initial levels, and operating costs were exceeding budgeted revenues. As a result, several policy changes were made with the objective of limiting demand and constraining the amount of scrip in circulation.

- o Limits on scrip purchases. In June 1983, users were restricted once again to purchasing two months (vs. six months) of scrip at one time. In addition, in

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\*At the beginning of FY '85, staff changed to a three month mailing cycle. One-half of all registered users receive forms during the first month, the other half during the second month. The third month is reserved for preparation of quarterly reports.

\*\*One of the companies (Orange Cab) even held a Christmas drawing (with prizes ranging from \$25 to \$100) as a promotional tool for its "dial-a-ride" customers.

December 1983, the monthly limit per user was reduced once again from \$40 to \$32.\*

- o Access to fixed-route transit. Some users can use public transit, but need assistance in reaching a transit stop. As of the March 1984 T&LU meeting, these users are permitted only one-half the usual allotment of scrip.
- o Retirement of old scrip. In September 1983, a letter was sent to all users, asking that outstanding (green) scrip from the previous fiscal year be returned to the project for refund or exchange. Those users requesting exchange received new (blue) scrip to be used during FY84. As a result of this procedure, staff refunded approximately \$10,000 in scrip that had been purchased but not used. A similar procedure will be followed at the end of each fiscal year.

In December 1983, the city began consigning scrip to a social service agency, Adult Protective Services, for sale to agency clients who are eligible for the city-subsidized taxi-USS program. Consignment to a second agency was begun in March 1984. This procedure eases, for agency clients, the process of purchasing scrip, and reduces administrative work for the city. City staff continue to be responsible for determining program eligibility. Subsidy level and monthly allotment per user are the same as for users purchasing directly from the city.

3.1.3.3 Wheelchair-Accessible Service. The initial one-year contract with American Red Cross was extended for an additional year at the end of FY 83.\*\* However, two types of

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\*Users who need more than the basic allotment of scrip are permitted to purchase a limited amount of supplemental scrip. However, they must first contact the information and referral (I&R) center set up by the city's coordination project (Section 3.2). Supplemental scrip is then made available only for "essential transportation needs for which no other service is available."

\*\*Renegotiation of the contract was not actually completed until spring of the following year. At the end of FY84, the contract was extended for another 12 months.

changes have been made to this component. First, given the increased service volumes being carried by American Red Cross,\* the new contract provides for reimbursement on the basis of vehicle service hours\*\* (\$20 per vehicle service hour) rather than passenger miles, beginning May 1, 1984.

More importantly, over a period of approximately 10 months (from January 1984 to October 1984), the wheelchair-accessible component was changed from a single-provider, provider-side-subsidy component, to a multiple-provider, user-side-subsidy component. The shift to a multiple-provider, USS system was made for a number of reasons: to provide additional lift-equipped capacity;\*\*\* to offer non-ambulatory users a choice of provider; and, by providing lift-equipped service on a user-side basis, to open the USS/SSA program (Section 3.2) to agencies with non-ambulatory clients.

In January 1984, the city opened the program to an initial non-contract private provider (Chair There). In February 1984, non-ambulatory users were notified that they would be able to purchase \$64 of city-issued scrip per month for a charge of \$10. Scrip would be accepted by American Red Cross or Chair There at a rate of \$1.80 per passenger mile. Current users were permitted the option of continuing to use the old zone-fare system, but only with American Red Cross.\*\*\*\*

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\*Demand for wheelchair-accessible service (measured in passenger trips per month) approximately doubled during the first year of operation of the converted system (see Section 3.1.4).

\*\*As calculated by American Red Cross, vehicle service hours include time spent deadheading.

\*\*\*Increased demand for Red Cross service had resulted in what some users perceived as a deterioration in service quality (e.g., more trips denied and longer waits for pick-up on return trips).

\*\*\*\*Although desirable from the standpoint of current users, the mixing of the two systems proved to be confusing for some users, and administratively difficult for American Red Cross.

On October 1, 1984, remaining users were converted to the USS system. Several tasks were completed in preparation for this change:

- o Development of a new zone system (Appendix G). A zone-fare, rather than passenger-mile, method was selected as an easier way of calculating fares, particularly for shared rides. The city's "old" zone fare system was seen as being inequitable, however, given the eight large zones that did not adequately distinguish between trips of different lengths. The new system consists of 18 zones. The charge per zone is \$4 in scrip (\$.67 user share, contrasted with \$1 per zone under the old system).
- o Needs assessment questionnaires. Under the new system, users were to receive variable allocations of scrip, based on individual need. This decision was made for two basic reasons: (1) to accommodate the special needs of many non-ambulatory users, and (2) to separate implementation of the user-side mechanism from policy issues concerning resource allocation. During August 1984, a personal needs assessment questionnaire--designed to collect information on monthly scrip needs--was mailed to each registered non-ambulatory user. Unfortunately, response to this mailing was extremely low. As a result, staff decided to contact each user by phone.
- o Telephone survey of registered users. During September 1984, city staff contacted all registered non-ambulatory users by telephone. The purpose of each call was threefold: (1) to check continuing eligibility for and interest in the program, (2) to determine individual needs for scrip, and (3) to answer any questions regarding the way that the new system would work. This approach proved to be an effective way of obtaining information on monthly needs. In addition, based on the information received, approximately 200 individuals, 50 percent of those previously registered, were removed from the file--e.g., because they had moved or died, or because their health condition had significantly improved or deteriorated.
- o Mailing scrip to registered users. Prior to the conversion, staff filled a total of 92 orders for scrip. Most orders were in the range of one to three books (i.e., \$8 to \$24) of scrip. Only five individuals indicated that they would need more than \$200 of scrip per month. Scrip were mailed during the last week in September, and Red Cross drivers were authorized to sell scrip to any individuals who had

not received their allotment prior to their need for service.

- o Driver training. Driver training was handled by American Red Cross, based on information provided by city staff.

Prior to the conversion, staff of American Red Cross, as well as other agency representatives, expressed considerable concern about proposed changes. One category of concern included questions about the ability of non-ambulatory users to overcome procedural and mechanical barriers involved in obtaining and using scrip. Another included questions about the city's ability to adequately identify user needs, and to continue to meet the needs of more frequent users over the longer term. Any attempt to address these questions at the present time would be premature. Instead, as discussed in Chapter 4, they will be addressed as part of the next phase of this evaluation.

3.1.3.4 Subscription Service. Subscription service ended, as planned, on July 31, 1983. Most users formerly served by this component continue to be carried on a group basis by taxi companies, however. Each user receives the usual allotment of city-subsidized scrip (\$32 per user per month), which helps to pay for the cost of these services.\* In at least one case, city staff worked with a social service agency to conduct a competitive bidding process and select the new

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\*In a limited number of cases, former subscription users shifted to other components (i.e., wheelchair-accessible and developing areas) of the city-subsidized system that had no monthly limits on service. Use of the developing-areas service ended when that service was discontinued (March 1, 1984). A plan for accommodating needs of non-ambulatory subscription users, and for allocating costs to both city and program agency, was developed as part of the process of converting wheelchair-accessible service to USS.



provider (American Paratransit Services) to be used by that agency's clients when the city-contracted service was no longer available.

3.1.3.5 Developing-Areas Service. In July 1983, the T&LU Committee reviewed this service component, and decided to continue operation of the demonstration project for a second year. In December 1983, however, the state withdrew demonstration funds from the project, due to concerns about lack of cost-effectiveness and possible duplication of service.\* A city-performed evaluation reached similar conclusions. The cost per trip was extremely high (\$41.58 in December 1983).\*\* In addition, only one-half of the individuals using the service were city residents. Service was discontinued on March 1, 1984, and city residents were transferred to the city's user-side components.\*\*\*

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\*Subsequent to the awarding of the state grant, two systems (Lifeline and Poway Call-A-Ride) had begun providing service into the city from adjacent dial-a-ride service areas.

\*\*The cost per passenger mile (\$2.38 in December 1983) was higher than that for other service components (\$1.15 for taxi-ambulatory service, \$1.80 for wheelchair-accessible service in the same month). More importantly, however, average trip length was several times that for the other components (17.5 miles, as opposed to 3.7 miles for taxi-ambulatory service, 6.6 miles for wheelchair-accessible service.) Although city staff had expected average trip length and cost to be high for this component, these findings exceeded their expectations. In addition, a greater percentage of users were nonresidents than had been expected.

\*\*\*Ambulatory users were transferred to the taxi/USS component, non-ambulatory users to the wheelchair-accessible component. For non-ambulatory users located outside the WHEELS service area, this shift was made feasible by recent changes in the wheelchair-accessible component--i.e., involvement of Chair There on a user-side basis.

#### 3.1.4 System Performance: Initial Phase of Operations

The following sections provide basic data on demand and productivity during the initial phase of operations.

3.1.4.1 Scrip Sales and Use. As shown in Figure 3-2, scrip sales have fluctuated substantially. The most dramatic effect has come from changes in policies governing scrip purchases. Initial policy was to permit users to purchase only a two-month allotment of scrip at one time. This policy was changed to 6 months in November 1982, and returned to 2 months once again in June 1983. Figure 3-2 clearly shows the change to a six-month cycle in November 1982, and the return to a two-month cycle in the fall of 1983. Bi-monthly cycles through the end of FY 84 were exaggerated by the fact that order forms weremailed to all eligible users at the beginning of each two-month period.\*

Two apparent exceptions to the bi-monthly cycle occurred in August 1983 and February 1984. During these months, scrip sales remained high during an "off" month. The first may have been a response, in part, to increased public information/marketing activities, which also may have led to unusually high scrip sales in November 1983. Increased sales in August 1983 and February 1984 may also have resulted in part from a "hoarding" phenomenon\*\* and been a response to changes to more restrictive scrip sale policies. Retirement of old scrip in September and October 1983 seems to have had little effect on scrip sales.\*\*\*

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\*At the beginning of FY 85, staff changed to a three-month mailing cycle (Section 3.1.3.2).

\*\*When scrip was retired at the end of FY 84, for example, one individual returned \$210 in accumulated scrip.

\*\*\*Policy at that time permitted an exchange of new scrip for old.

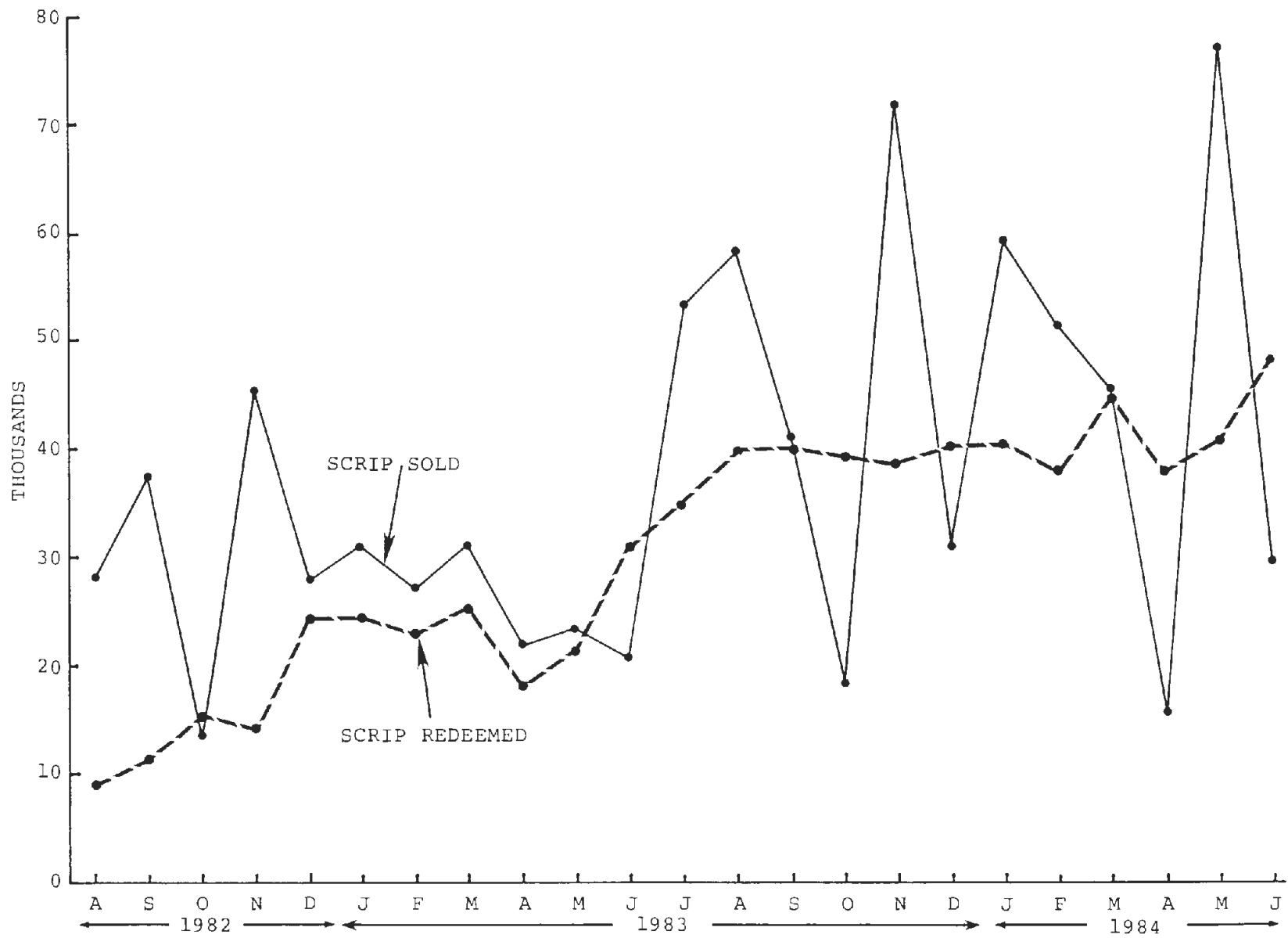


FIGURE 3-2. SCRIP SALES AND USE, AMBULATORY USERS  
SPECIALIZED TRANSPORTATION SERVICES, CITY OF SAN DIEGO

Patterns of scrip redemption (an indication of scrip use) were more stable than those for scrip sales, and show a fairly substantial increase from an average of approximately \$24,000 per month in the first quarter of 1983, to an average of approximately \$41,000 per month in the first quarter of 1984. Reasons for this increase are discussed in Section 3.1.4.2.

Data shown in Figure 3-2 are for ambulatory users only. Beginning in February 1984, non-ambulatory users were also offered the option of using scrip to purchase lift-equipped service. As of May 1984, 40 non-ambulatory users purchased a total of \$3,160 in scrip.\* Lift-equipped providers redeemed \$1,321.50 in scrip during the same month.

3.1.4.2 Ridership. As shown in Figure 3-3, numbers of trips served by the system increased from 8,700 per month in October 1982, to an average of more than 12,000 per month beginning in the second quarter of 1983. The latter is equivalent to the average number of trips served per month during FY 1981, the last stable period of operation of the city-operated dial-a-ride. Ridership continues to increase, and averaged well over 13,000 trips per month during the first half of 1984.

By the end of FY 84, approximately 86 percent of all trips were served by the taxi/USS component, 14 percent by the wheelchair-accessible component. Ridership on each of these service components roughly doubled between the last quarter of 1982 and the last quarter of 1983. Increased ridership on the taxi/USS component resulted in part from an increase in the

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\*Including three users that purchased a total of \$184 in scrip at a consignment site.

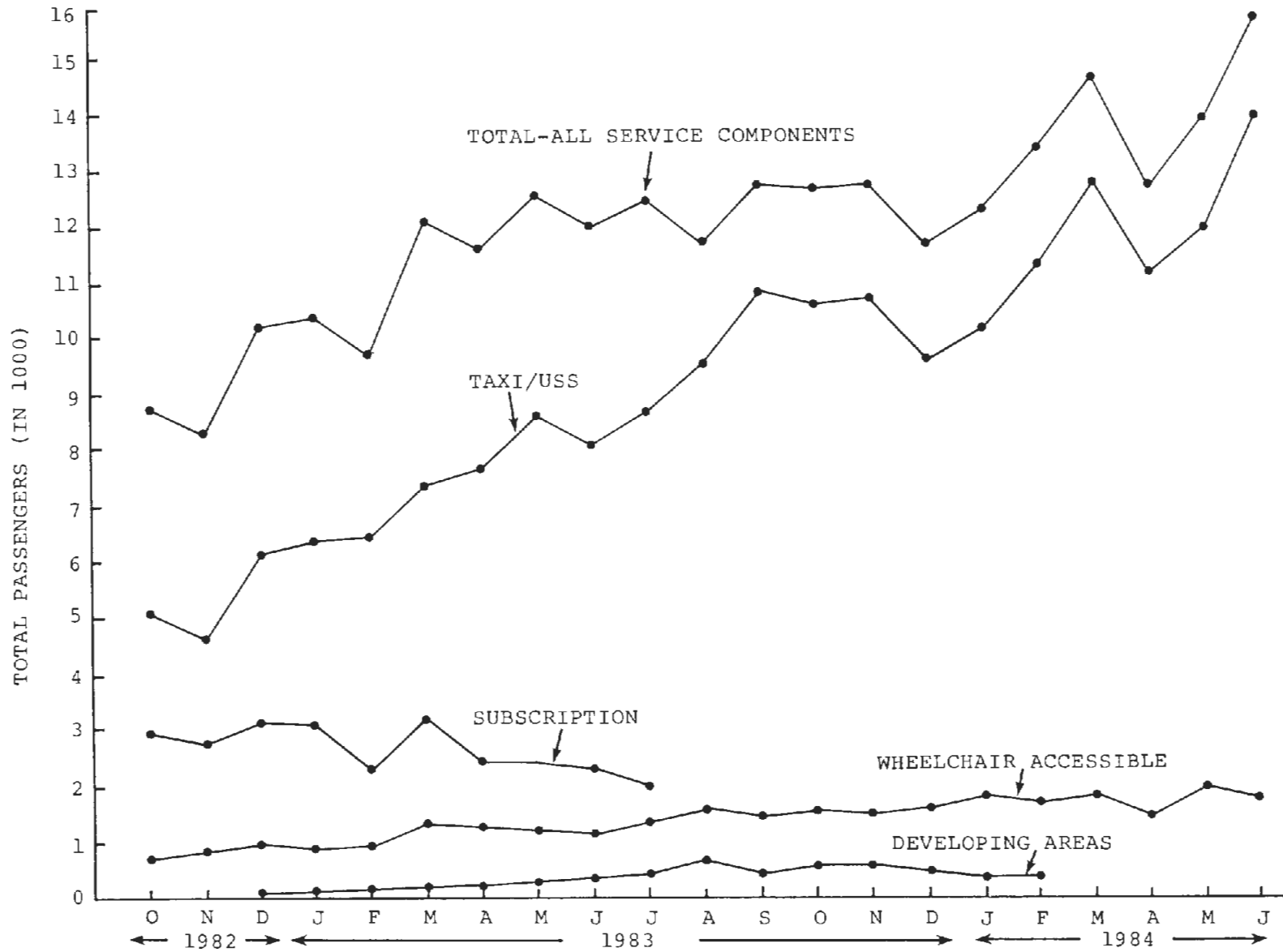


FIGURE 3-3. TRIPS PER MONTH, BY TYPE OF SERVICE  
SPECIALIZED TRANSPORTATION SERVICES, CITY OF SAN DIEGO

number of active users.\* Increased use of the wheelchair-accessible component resulted, in part, from daily use by an increased number of participants following the end of subscription service in July 1983.\*\*

Subscription ridership decreased from approximately 3,000 trips per month (one-third of all trips served) in October 1982, to just over 2,000 trips per month (approximately 20 percent of all trips) before this service ended. Developing-areas ridership increased from 31 trips in December 1982 to an average of 500 trips per month during the last quarter of 1983, but never accounted for more than four percent of all trips served in any month.

3.1.4.3 Program Costs. Figure 3-4 shows private contractor costs by program component, including user charges and costs billed to the city. During FY 84, administrative costs added an average of \$13,328 per month to the costs shown in the figure, and accounted for approximately 15 percent of total program costs.\*\*\*

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\*The number of active users of the taxi/USS component (i.e., the number of users purchasing service during a given month) increased from 1,524 per month in July 1983 to 2,084 per month in June 1984. Number of trips per active user remained fairly constant during the same period, averaging 5.32 trips per month.

\*\*Analysis of American Red Cross trip logs, conducted in fall 1983, showed that approximately 50% of all trips carried on the wheelchair-accessible component were being taken by 18 people, who were using the service for daily access to agency programs. Of these, seven were Regional Center clients who were formerly served by the subscription service component.

\*\*\*Administrative costs covered salaries and benefits for project staff, as well as costs for materials and services (including printing and mailing of coupons). During the last half of FY 84, the project was staffed by a full-time manager and 2 1/2 clerical staff. It is expected that this level of staffing will be retained on a continuing basis.

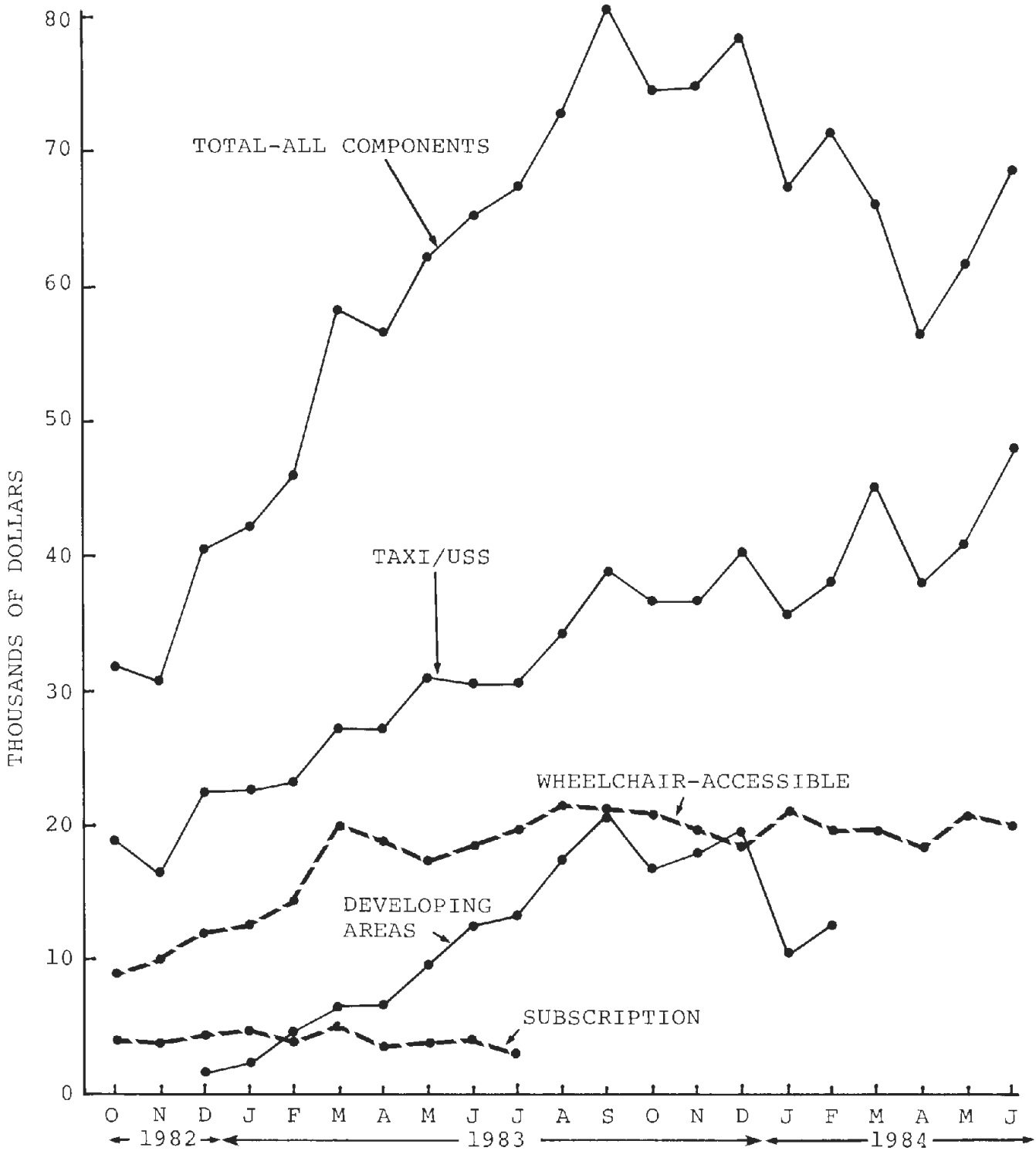


FIGURE 3-4. COST BY PROGRAM COMPONENT\*  
SPECIALIZED TRANSPORTATION SERVICES, CITY OF SAN DIEGO

\* DOES NOT INCLUDE CITY ADMINISTRATIVE COSTS, WHICH AVERAGED APPROXIMATELY \$13,328 PER MONTH, OR APPROXIMATELY 15% OF TOTAL PROGRAM COSTS.

Table 3-3 provides data on average unit costs\* and trip length for each program component. Unit costs were lowest for subscription service, highest for wheelchair-accessible and developing-areas services. Low unit costs for subscription service were due primarily to the savings associated with group riding, although the lower cost per trip for this component was also due to a slightly shorter average trip length. The higher costs per passenger trip for wheelchair-accessible and developing-areas services were the result both of higher costs per passenger mile and of the longer trip lengths served by those components.

#### 3.1.5 Dial-a-Ride Citizens Advisory Committee

The Dial-a-Ride Citizens Advisory Committee (CAC) strongly opposed adoption of private sector/US\$ proposals. Following adoption of the proposals in February 1982, however, most members decided to continue working with the CAC, and provided considerable assistance to city staff during system conversion, e.g., helping with the design of application forms, organizing training for taxi drivers, and commenting on proposed eligibility criteria.

Once system conversion had been completed, CAC members, who had been meeting on a fairly informal basis, pushed to establish a more formal advisory committee structure. At the February 1983 CAC meeting, staff formally appointed seven members to the CAC. At the March meeting, the committee accepted the following roles: (1) to assist with marketing,

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\*Unit costs were remarkably stable. For most program components, costs per passenger mile varied no more than five percent from the mean, costs per passenger trip no more than 10 to 15 percent from the mean, with no particular patterns being evident. The greatest variation was found in data for the developing-areas component, which ranged from \$27.21 to \$46.22 per trip, from \$1.51 to \$2.65 per passenger mile.



TABLE 3-3.

AVERAGE UNIT COSTS AND TRIP LENGTH  
BY PROGRAM COMPONENT (FY 84)

Program Component	Cost per passenger trip	Cost per passenger mile	Average trip length (mi)
Taxi-ambulatory	\$3.28	\$1.04	3.17
Wheelchair-accessible	13.15	1.66	7.91
Subscription	1.52 (a)	.52 (b)	2.71 (b)
Developing-areas	37.08	2.12	17.46 (c) 21.16 (d)

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(a) Based on data for 10/82 to 7/83.

(b) Based on data for 10/82 to 12/82.

(c) Based on sample of trip records for May 1983.

(d) Based on sample of trip records for January 1984.

(2) to review service quality, (3) to review and make recommendations on eligibility appeals, (4) to advise on program improvements, (5) to comment on proposed changes to eligibility criteria, and (6) to provide a communications liaison with the community-at-large.

The role played by the committee and degree of committee involvement in the program have varied over time, based on the types of issues being addressed and on the perceived need by city staff for input from the user community. The evolving role of the advisory committee will be addressed more specifically as part of Phase II of this evaluation.

### 3.2 USS/SSA COORDINATION

About the time that the city ended public operation of its dial-a-ride system (October 1982), staff began working to encourage coordination of social service agency (SSA) transportation resources, using user-side subsidy (USS) as one of a number of potential coordination mechanisms. The following sections summarize the current status of those efforts; detailed discussion and evaluation will be contained in a future report.

#### 3.2.1 Background

In the fall of 1979, the City of San Diego, in cooperation with CALTRANS and SANDAG, applied for an UMTA/SMD demonstration planning grant to study alternative coordination mechanisms, and to develop an implementation plan for agency coordination in the region. The draft management plan, completed at the end of 1981, included the following recommendations:

- o Formation of a countywide paratransit coordinating council to promote and monitor coordination efforts;
- o Establishment of a new private, non-profit agency to serve as a broker for paratransit services;

- o Development of an information and referral service to match individual and agency requests for transportation with available services;
- o Encouragement of, and development of mechanisms for, vehicle timesharing;
- o Encouragement of, and development of mechanisms for, joint purchase of support services.

Early in the coordination study process, the city applied for, and was eventually awarded, a state-funded grant to implement the study's recommendations. Work on that effort began in October 1982.

In the meantime, the city council considered and adopted proposals for dial-a-ride conversion and agency coordination via USS, a concept that had received little attention during the three-agency coordination study mentioned above.\* In August of 1981, the city, through the city manager's office, applied for and was eventually awarded, its current UMTA grant to implement the USS program. UMTA-funded work on user-side coordination also began in October 1982.

Until recently, the City of San Diego had implementation responsibility for coordination activities funded under both state (overall coordination) and UMTA (user-side coordination) grants. As a general rule, these activities were approached as a single coordination project, albeit with two major components. Although implementation responsibility rested with the city, coordination was pursued on a county-wide basis.

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\*Although at one point the then-current paratransit administrator had been interested in testing USS as a coordinating mechanism, she was opposed to testing of USS if it meant dismantling the city-operated dial-a-ride (Sections 2.1 and 2.2). Other individuals working on the study agreed. In general, those involved with the study felt that non-USS approaches to coordination would prove to be more cost-effective in the near term.

### 3.2.2 State-Funded Coordination Project

The state-funded project was assisted by two advisory bodies. One, a state-mandated\* policy advisory committee called the consolidated transportation service agency (CTSA), was composed of one representative from the board of each of the following agencies: SANDAG, the Metropolitan Transit Development Board (MTDB), and the North County Transit District (NCTD).\*\* The CTSA's primary role was to monitor and evaluate the state-funded project. In addition, at the conclusion of the project, the CTSA was to develop recommendations regarding future coordination activities to be pursued in the region.

The other body, a technical advisory committee called the paratransit coordinating council (PCC), was composed of representatives of social service agencies, transportation providers, and government agencies concerned with coordination of SSA transportation services. Unaffiliated individuals with an interest in paratransit services were also represented. In addition to advising city staff through its executive committee, the PCC provided assistance to the project through three working subcommittees: public information and marketing, workshops and program planning, and coordination tactics. Monthly meetings of the general membership provided opportunities for information exchange among agencies, and for the provision of technical information via speakers and films.

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\*A 1979 state law (AB120) requires local governments to promote coordination/consolidation of social service agency transportation services. One of the requirements of the legislation was development, by each regional transportation planning agency, of an "action plan" detailing steps to be taken to promote coordination of services. Also required was establishment of a consolidated transportation service agency (CTSA) to direct coordination activities.

\*\*Beginning in October 1983, the city manager of the City of San Diego and the chairman of the PCC (the technical advisory body) were included as non-voting members of the CTSA.

With the assistance of those committees, city staff worked for 20 months (from October 1982 to June 1984) to promote the various types of coordination outlined in Section 3.2.1. Prior to the end of state funding, an evaluation performed by SANDAG staff (serving as staff to CTSA) found that the project had been most effective in five different areas:

- o Purchase of service and vehicle sharing arrangements. Development and implementation of purchase of service and vehicle sharing arrangements resulted in increased passenger trips and miles, and reduction in transportation costs to the agencies.
- o Agency technical assistance. Technical assistance provided to agencies helped resolve specific transportation problems.
- o Group maintenance. A group maintenance program, developed in association with private firms, resulted in cost reductions to participating agencies.
- o PCC. The PCC brought social service agencies and transit operators together and facilitated service coordination.
- o Newsletters and bulletins. Newsletters and service bulletins provided agencies with information.

An information and referral service, which was able to help between 30 and 45 percent of the callers find transportation, was rated as only moderately effective. Driver training programs and group vehicle insurance programs were judged as showing little potential for effectiveness in the near term.\*

Perhaps the ultimate measure of the success of the overall project is that it has continued beyond the end of the state grant, though at a lower level of effort than that made possible by state funding. The American Red Cross has been designated as the new CTSA. Staff time, and other resources such as computer time, will be provided on a voluntary basis by

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\*Coordination Project Evaluation, San Diego Regional Consolidated Transportation Service Agency, May 17, 1984.

a number of interested agencies. The PCC will continue to function as currently structured.

### 3.2.3 USS/SSA Coordination

Efforts to establish USS as a viable coordination mechanism have been divided into several phases, as discussed below.

3.2.3.1 FY 1983. During the initial phase, which began in October 1982 and lasted roughly until April 1983, efforts were focused on meeting with agencies to discuss possible use of the USS mechanism to provide transportation for their clients. Agencies would purchase scrip at face value and provide the scrip to their clients, who would use it to purchase service from any registered USS provider. A total of 16 agencies were contacted during the initial period. Of those agencies, approximately one-half were sufficiently interested in the USS mechanism to generate two or more contacts with city staff. Most, however, decided that they would not be able to participate in the near term. One agency, the American Cancer Society, began purchasing coupons on a limited basis-- i.e., \$100-150 per month--during the month of June.

Based on the findings of these early marketing activities, a key challenge facing the effort to market USS coupons has been the lack of agency funding for transportation services, a situation made more severe by recent funding cutbacks. Seven agencies specifically mentioned lack of funds as a problem affecting their interest in the program, with at least two indicating that they might be interested if the city subsidized their involvement.

In addition, many agencies felt that the program was not offering anything new. In other words, an agency could already call a taxi for a client and simply pay for the service with cash, rather than city-issued scrip. Participation in the program would make the agencies eligible for special discounts

offered by a few of the taxi companies. However, most agencies using taxi services on a regular basis had already worked out discount arrangements. Those agencies that had opted for other ways of providing transportation to their clients (e.g., using their own vehicles or providing bus tokens) tended to view taxis as an expensive alternative.

By early spring 1983, the staff had become somewhat discouraged with USS/SSA promotional activities, and were uncertain as to how best to proceed. In April 1983, project activities were temporarily suspended.

3.2.3.2 FY 1984. In early June 1983, staff of UMTA and the Urban Institute assisted city staff in setting up a peer-to-peer workshop, during which they were able to "brainstorm" with two individuals experienced in coordinating social service agency transportation resources. As a result of this workshop, and additional discussion with UMTA and Urban Institute staff, city staff decided to focus their efforts in the following areas:

- o Involvement of lift-equipped providers. Involvement of lift-equipped providers on a user-side subsidy basis would make available wheelchair-accessible capacity for those agencies whose clients required it. In addition, involvement of additional lift-equipped providers would serve the objective of adding capacity for non-ambulatory users of the city-subsidized service (Section 3.1.3.3). Staff initiated discussion with several potential providers. By early 1984, Chair There was officially "on board." In addition, American Red Cross (the contract provider for city-subsidized service) began providing service to non-ambulatory users on a USS basis.\*
- o Development of a more effective marketing strategy. The marketing effort was to be assisted, in part, by the development of improved promotional materials.

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\*Red Cross had been serving occasional ambulatory users on a USS basis since January 1983.

More importantly, staff hoped to be able to subsidize agency scrip purchases, as a way of encouraging participation in the program. At the end of 1983, it appeared that the city would be able to use a portion of its state TDA funding for this purpose. By early 1984, however, it became apparent that those funds would be needed to cover costs of the converted dial-a-ride system. No other source of funds was readily available.

At the time, the ability to subsidize agency scrip purchases was seen as being the key to increasing participation in the program. In February 1984, project activities were temporarily suspended once again, until an alternative approach could be developed.

3.2.3.3 FY 1985. In September 1984, staff renewed efforts to promote user-side coordination. The idea of subsidizing agency scrip purchases is no longer being actively considered, however.\* Instead, activities for FY 85 will include development of improved promotional materials, and efforts to involve agencies not only as purchasers, but also as providers of service. As discussed at the end of Chapter 4, monitoring and evaluation of these efforts will provide the primary focus for the next phase of this evaluation.

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\*Staff believe that the program should be able to sell itself on its own merits, without the need for an additional incentive in the form of agency subsidies.



#### 4. PRELIMINARY FINDINGS AND RECOMMENDATIONS

Following a lengthy and difficult decision-making process, the converted system has entered a period of eventful, but relatively uncontroversial, operation. Two program components (subscription and developing-areas) have ended. Another (wheelchair-accessible) is undergoing fairly substantial transformation. Policies regarding program eligibility and scrip sales have undergone considerable fine-tuning. Because most major issues seem to have been resolved, however, current program changes are taking place in an environment that is much more supportive than that surrounding initial program adoption.

The following section discusses the way that actual program operation compares with the expectations and concerns of both sides in the controversy that preceded program adoption. Remaining sections discuss process-related findings for three separate time periods: (1) pre-adoption, (2) transition, and (3) initial operation. In general, findings are based on project experience through the end of FY 1984, with analysis of more recent changes reserved for the next phase of the evaluation.

##### 4.1 COMPARISON OF PUBLIC AND PRIVATE-SECTOR SYSTEMS

The following discussion responds to major issues addressed during the initial decision-making process, drawing on data presented in Table 4-1, as well as more qualitative findings. For purposes of comparison with data for the converted system, data for the city-operated dial-a-ride are adjusted to account for three factors: (1) inflation, based on

TABLE 4-1.

PRELIMINARY COMPARISON OF DATA FOR OLD AND NEW SYSTEMS,  
CITY OF SAN DIEGO SPECIALIZED TRANSPORTATION SERVICES

	Old System * (FY 81, TDA)	Old System ** (FY 81, Adj'd)	New System *** (FY 84)
Number of trips	148,219	148,219	170,714
Operating cost	\$710,376	\$906,783	\$897,608
Passenger miles	1,038,072	612,462	627,492
Vehicle service hours	32,961	32,961	32,956
Cost per trip	\$4.79	\$6.12	\$5.26
Cost per passenger mile	\$ .68	\$1.48	\$1.43
Cost per vehicle service hour	\$21.55	\$27.51	\$27.24
Trips per vehicle service hour	4.50	4.50	5.18
Average trip length (miles)	7.00	4.13	3.68
Fare revenue	\$61,379	\$73,015	\$159,905
Farebox recovery	8.6%	8.1%	17.8%
Fare revenue per trip	\$ .41	\$ .49	\$ .94
Annual subsidy	\$648,997	\$833,768	\$737,703
Average subsidy per trip	\$4.38	\$5.63	\$4.32

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\*As reported to the State of California.

\*\*Modified to account for inflation (based on the CPI for the San Diego metropolitan area), circuitous/dead-head mileage (assuming 53% of shared mileage, 41% of all mileage on the "old" system was circuitous or dead-head mileage), and miscellaneous public costs (\$ .05 per passenger mile for the "old" system), as suggested in Appendix E.

\*\*\*Does not include data for developing-areas service.

the CPI for the San Diego metropolitan area; (2) circuitous and deadhead mileage, which are not reported for the taxi/USS component of the converted system; and (3) miscellaneous public costs equal to \$.05 per passenger mile, as discussed in Appendix B.

Findings are somewhat equivocal. In some respects the new system is better; in other respects, the old. Neither the most optimistic expectations of proponents, nor the worst fears of those opposed to the changes, have been realized. Perhaps what is most important is that the new system works, and that it solves the basic problems that prompted the initial change to private-sector operations.

In designing proposed changes, the city had three major objectives: to improve service quality, to reduce the administrative burden to the city, and to distribute service more equitably. In addition, although increased cost-effectiveness was not a primary objective, cost-effectiveness was expected to improve as a result of proposed changes. As discussed below, each of the primary objectives has been achieved to a greater or lesser extent. Cost-effectiveness of the new system is roughly equivalent to (and, in some cases, better than) that of the publicly-operated dial-a-ride.

#### 4.1.1 System Performance

As shown in Table 4-1, the number of passenger trips increased by approximately 15 percent between FY 81 and FY 84. Operating cost, passenger miles, and vehicle service hours have remained remarkably stable, changing by no more than one or two percent in any case.\* As a result, the only composite indicator that has changed significantly has been operating cost per passenger trip, which decreased 14 percent between FY 81 and FY 84. Decreased cost per passenger trip, combined

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\*Based on adjusted data for FY 81.

with an increased rate of farebox recovery, have resulted in an inflation-adjusted decrease in annual subsidy of more than 10 percent, or approximately \$96,000.

#### 4.1.2 User Perceptions/Impacts

As discussed in Section 3.1.2, service quality, as perceived by continuing users, has increased substantially. This is particularly true for users of the taxi-ambulatory component, who appreciate being able to access the system without advance reservations, to expect (in most cases) a prompt pick-up, and to receive direct routing to their destinations.\*

Although service quality has increased, the average user fare is approximately twice what it was during FY 81.\*\* A fare increase, such as the increase that went into effect in April 1981, would have occurred even in the absence of other changes, based on the need for state-mandated improvements in farebox recovery. However, increases may have been amplified somewhat by the policy objectives discussed in Section 2.3.5. In addition, as mentioned in the previous section, average trip length has decreased by approximately 11 percent. Presumably reduced trip length is a response, in part, to increased user-share requirements and limits on availability of scrip per person.\*\*\*

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\*Although users of wheelchair-accessible service had initially been equally satisfied with the quality of service provided by that component, increased complaints regarding service quality (e.g., trips denied, wait for pick-up on return trips) were received during the second year of operations. The effect on service quality of recent changes (e.g., conversion to USS) will be assessed as part of the next phase of this evaluation.

\*\*Again, comparisons are based on adjusted data for FY 81.

\*\*\*Apparent reductions in trip length may also be the result of inaccuracies in assumptions regarding circuitous and dead-head mileage for the old system (see footnote, Table 4-1).

#### 4.1.3 Equity in Distribution of Service

Proponents hoped to increase the total number of users served. To accomplish that objective within the constraints of a limited budget, monthly service per user was to be restricted to an allocation that would meet only "essential" or "lifeline" needs.\*

With regard to the first objective, the number of active users (i.e., users purchasing service during a given month) has increased substantially. Analysis prior to system conversion identified 500 to 700 active users per month on the city-operated system. By the end of FY 84, more than 2,000 active users were being served each month by the taxi/USS component alone.

In addition, in many cases individual allocation has been reduced. Subscription service has officially ended. As a result, the number of ambulatory users who receive more than a proportionate share of the service has been greatly reduced, and an effort has been made to further limit disproportionate use of the system whenever possible (e.g., by helping users to find alternative means of transportation). At the same time, the city acknowledges that all essential needs may not be met by the "lifeline" allotment of scrip. Within the available budget, project staff attempt to make special arrangements

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\*In addition, proponents hoped to carefully target those most in need, through the use of income restrictions and variable subsidies. Since income limits would eliminate only two percent of those registered for the old system, these policies were meant less as a way of changing past practice than as a way of controlling the increased demand that was expected to accompany improvements in service quality. Given that there is no way of estimating the number of potential users with incomes above the limit who would have been attracted by service improvements, it is difficult to judge the effectiveness of, or need for, income restrictions.

(e.g., by providing supplemental scrip) to serve essential needs for which no alternative is available.

Some representatives of the user community have suggested a need for a clearer definition of the city's policies regarding distribution of supplemental scrip, and for a simplification of procedures involved in obtaining a supplemental allocation. Additional attention has been focused on policies and procedures for distributing supplemental scrip following the October 1984 conversion of non-ambulatory service to USS.

Prior to the conversion of lift-equipped service to USS, most non-ambulatory users had not been restricted to specific service allotments. To alleviate concerns that the USS system would arbitrarily restrict use, the city decided to vary scrip allocation by user, based on a determination of individual need (Section 3.1.3.3). In a few cases, however, users have questioned the adequacy of their allocations, and agency representatives are concerned about the ability of the city to continue to meet the needs of more frequent users over the long term. The extent to which these concerns are borne out over time will be addressed as part of the next phase of this evaluation (Section 4.5).

#### 4.1.4 Administrative Concerns

City staff cite ease of administration as one of the chief benefits of conversion to private-sector services. Many administrative tasks associated with operating the system are now handled by the private sector providers. In addition, tasks handled by project staff (e.g., determining applicant eligibility, selling and redeeming scrip, monitoring performance of providers) require less specialized knowledge than was the case for the city-operated system.

In addition, farebox recovery, long a concern in determining program policy, has more than doubled: from eight to more than 18 percent. State legislation requires a minimum 10 percent as a condition for receipt of TDA funds.

Finally, administrative flexibility has been increased. In other words, the amount of service provided can be more readily changed than was the case when such changes involved increasing or decreasing fleet size and/or numbers of city-employed personnel. Increased flexibility does not necessarily translate into increased control, however. In a sense, since the city is no longer operating the system, there is less direct control than was the case prior to the conversion, and less complete understanding of the cause-and-effect relationships involved. As a result, although a change in scrip allocation policies will be followed by a change in ridership and resulting operating cost, the magnitude and timing of the response can be predicted with only a limited degree of certainty (Section 4.4.2). Representatives of the user community indicate that changes in program policies and procedures have caused confusion for some users and that the confusion alone may affect ridership, causing at least a temporary drop in use after changes are implemented.

#### 4.1.5 Public Commitment

Some of the individuals who opposed the conversion to a private sector/USS system were concerned that the change signaled a decrease in the city's commitment to specialized transportation services. This has not proven to be the case, however. In fact, the city council has responded to cutbacks in state TDA funding by allocating \$176,000 in city funds to the system for FY 85. This allocation will compensate for the loss in state support, and allow the city to meet projected need for that fiscal year.

## 4.2 PROCESS: PRE-ADOPTION

### 4.2.1 Coalition-Building

The driving force behind development and passage of private-sector/USS proposals was the assistant to the city manager, who was supported in turn by other staff of the city manager's office. The assistant to the city manager was an enthusiastic and powerful proponent of the proposed changes. However, the city council was reluctant to endorse the changes, given the active opposition expressed by the user community. In the end, strong mayoral support seems to have played a key role in passage of the proposals.

Presumably the process would have gone more smoothly had city staff been able to maintain a better working relationship with those opposed to the changes, and to develop a broader base of support. On the other hand, when a process involves participants with well-defined and potentially conflicting interests (in this case, city staff proposing changes, representatives of regular/subscription users, and staff of the city-operated dial-a-ride), development of a consensus proposal can be difficult and time-consuming. In such cases, a strong argument can be made for de-emphasizing consensus-building activities, both to keep the process from being paralyzed and to keep the project from being so changed or diluted that it fails to achieve basic objectives. This is particularly true when staff members are required to solve critical problems in a limited period of time (Section 4.2.2).

Each locality must weigh a number of pros and cons in structuring its own process. Based on the experience in San Diego, however, the following are three types of activities to be considered as ways of reducing conflict and of broadening support for the eventual decision.



- o Early consultation with interested parties. Early presentation and discussion of proposed changes with individuals and groups who have a vested interest in the status quo (staff as well as users) can help to establish a positive environment for the decision-making process. To be effective, serious discussion should begin before proposals are presented to the eventual decision-making body.\*
- o Diffusion of information. When proposals involve innovative approaches, as was the case in San Diego, support may be strengthened by educating key participants concerning both (1) underlying concepts, and (2) successful experiences of other localities with similar programs. In San Diego, although the assistant to the city manager had received substantial grounding in private-sector/USS concepts from staff of UMTA and the Urban Institute, the process remained overly dependent on one person's understanding of, and commitment to, proposed changes.
- o Negotiation and compromise. The most effective way to resolve serious disagreements is to develop a give-and-take solution that responds to the most critical concerns of each side. In fact, although disagreements were never fully resolved in San Diego, development of a compromise of this sort was a key factor leading to eventual adoption of private-sector/USS proposals.

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\*This did not occur in San Diego. The package of proposals presented to the T&LU Committee in July was significantly different from plans being developed by the paratransit administrator or the dial-a-ride operations manager, and had never been presented to the DAR CAC. Formal presentation to the CAC, as well as meetings with individual agencies, did occur, but only after proposals had received conceptual approval from the council and been submitted in a grant application to UMTA. From the perspective of the assistant to the city manager, there was no point in raising possible changes with the CAC until the council had expressed some interest in private sector/USS concepts. Members of the CAC, on the other hand, felt that they had been excluded from early, and possibly crucial, stages of concept development.

#### 4.2.2 Scheduling

The full conversion took fifteen months from the time that proposals were first considered to the transition of all operating functions to the private sector. This is longer than city staff had originally planned, but is probably a more realistic time frame for other communities to consider. This is particularly true for any large city with many individuals dependent on an existing sizeable and specialized transportation program.

Ironically, in such cases, efforts to move quickly may have just the opposite effect. In San Diego, for example, staff felt pressured by a number of concerns, such as the deteriorating condition of the dial-a-ride fleet, anticipated funding problems, and the desire to improve on the "complaint-ridden" city operation. As a result, and given the assistant to the city manager's confidence in proposed changes, an attempt was made to accelerate the process. In the end, that effort did not succeed, and the schedule was extended by a highly polarized political process.

#### 4.2.3 Separation of Issues

Staff recommendations combined private-sector/USS proposals with proposals concerning redistribution of benefits and changes in funding responsibilities. Linking of these policies may be desirable in some cases. It is not necessary, however, and may affect support for private-sector/USS changes.

For example, staff suggested that a USS system would provide the capacity for more controlled and rational distribution of benefits. In fact, it is the use of coupons, and not the subsidy scheme or use of private providers per se, that acts as a tool for control over distribution of benefits. Any provider-side subsidy system (whether publicly or privately operated) could use coupons or tickets to control usage in the same manner and with the same administrative costs.

Historically, there has been an association between method of subsidy and distribution of benefits, but conceptually the two issues are separate.

In addition, the USS concept was linked with the transfer of responsibility for some daily users from the city to social service agencies. In theory, of course, the city could have continued to fund service for those users under a private-sector/USS system.

As a matter of practicality, other localities might remember that any type of transportation operation (public, private or hybrids; fixed route or paratransit) can incorporate any desired policy concerning individual usage and funding responsibility.\* Confusion of these issues is likely to complicate the process, since concerned individuals may agree on use of a USS system, but reasonably differ on the distribution of benefits and funding responsibilities. In addition, it may divert attention from the merits of USS per se, and result in one of two undesirable outcomes:

- o That the USS concept is opposed in those cases where it would increase productivity, because its adoption is associated with an undesired policy concerning usage and/or funding responsibility;
- o That the USS concept is adopted in an instance where it might be less productive, because it provides an opportunity to establish a new policy concerning usage and/or funding responsibility--policies that could have been instituted within the public operation.

#### 4.2.4 Technical Analysis

In preparing and presenting technical analysis, staff in San Diego were addressing three separate audiences: city council, citizens, and technical staff of other agencies. Appropriately responding to each of these audiences can be

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\*This distinction may be of particular interest to communities that wish to have a publicly-operated system.

difficult, since each can require very different types and degrees of analysis and documentation. In performing their analysis, staff responded primarily to the needs of the city council. This approach lacked sufficient depth to assure the CAC and other planners, and resulted in a more protracted debate than might otherwise have been required.

More complete analysis (including more careful specification of terminology and assumptions) might have responded more fully to the concerns of those opposed to proposed changes, and permitted concerns to be more quickly addressed through discussion or compromise. In addition, it might have provided more accurate information for decision-making.

As part of a more complete analysis, other localities might consider a more systematic definition and comparison of alternatives. In San Diego, for example, some participants believed that a hybrid system with central dispatching would have been more cost-effective, because it would have provided a more effective mechanism for shared-riding. Staff disagreed.\* Because the hybrid system was not identified as a formal alternative, however, their arguments were never fully prepared and communicated as part of the public debate.

#### 4.3 PROCESS: TRANSITION

##### 4.3.1 Work Plan Development

Once private-sector/USS proposals had been adopted, conversion to the new system took approximately twice the time

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\*Staff estimated that the central dispatching function would require \$100,000 per year in personnel costs, and doubted that likely increases in shared-riding would be sufficient to justify the expenditure.

that had originally been allotted. To avoid a similar occurrence, other localities should be careful to budget adequate time (probably a minimum of six months for programs of similar size) and resources (including permanent staff) for this stage of the process.

In addition, experience in San Diego suggests the importance of placing adequate emphasis on the following specific tasks: (1) designing the application form; (2) selecting and training the rescreening team; (3) designing, ordering, and distributing coupons; (4) signing up and briefing providers; and (5) maintaining an ongoing working relationship with representatives of the user group (in this case the DAR CAC). Staff of the paratransit office also recommend that computerization be completed early, if possible, as a way of enhancing the efficiency and accountability of the process.

#### 4.3.2 Date of Conversion to Private-Sector Services

Staff in San Diego found that it was not feasible to set a single day for conversion of all users from public to private-sector services. Instead, ambulatory users were shifted as soon as they had received their first order of scrip, non-ambulatory and subscription users as soon as contract services were available. The public system continued in operation until all users had been provided with a private-sector alternative.

The gradual nature of the transition proved to be a critical element in reassuring the user community. Staff found that even this pace resulted in an almost overwhelming workload, however, and recommend a more carefully staged transition as a way of avoiding this type of overload, when working with a system of similar size.

#### 4.4 PROCESS: OPERATION

##### 4.4.1 Policy Issues: Allocation of Resources

The change to a private-sector/USS system has improved service quality and ended the stream of user complaints to the members of the city council. Continuing concerns of the user community have focused not on service quality, but on issues of resource allocation. In fact, conversion to USS seems to have clarified those issues, including related policy constraints and alternatives.

Under the city-operated system, issues of resource allocation were complicated by concerns about fleet size and operation. Under the USS system, however, there are three basic policy parameters: eligibility requirements (breadth of coverage), individual scrip allocation (depth of coverage), and total budget (which constrains the total amount of service available). The reduced number of parameters involved tends to focus and simplify the debate.

During the initial months of system operation, policy issues raised by the user community focused on eligibility restrictions, in an effort to expand coverage to additional user groups. In response, the council relaxed certain eligibility requirements. At the end of FY 84, policy debate focused on the total budget, and on concerns over cutbacks in state funding. In response to those concerns, the city council allocated \$176,000 in city funds to maintain the existing budget and level of service. Most recently, with the conversion of lift-equipped service to USS, individual scrip allocation has become a potential issue. Although earlier issues of eligibility and funding have received little public discussion in recent months, they continue to be of concern to members of the user community. Continuing evolution of policy issues will be monitored as part of the next phase of the evaluation.

#### 4.4.2 Administrative Issues: Forecasting and Management of Demand

One of the key challenges for staff in San Diego has been the effort to maximize service provided while keeping operating costs in line with expected revenues. A number of methods have been used to accomplish these objectives, including changes in scrip allocation policies, marketing/public information mailings, and annual retirement of outstanding scrip. During the first few months of operation, actions were aimed primarily toward increasing use of the system. More recent actions have been aimed toward restraining demand and controlling the amount of excess scrip that is in circulation. Additional adjustments are planned. For example, at the present time order forms are mailed regularly to all eligible users. Expected software improvements will permit mailings only to those individuals who have used all but their last one or two books of scrip.

At the present time, effective management of the system is complicated by an incomplete understanding of the way that different factors affect demand. Because demand cannot be accurately predicted in advance, management of the system depends on regular tracking of ridership and cost data. If data are found to be out of line with the established budget (and if the budget cannot be changed), then changes must be made in policies affecting demand. The effectiveness of those changes is limited in two ways, however: (1) again, by the ability to accurately forecast demand (i.e., to determine the effect that the changes will have), and (2) by the time that it takes for the system to respond.

As the system matures, the selection of a stable set of policy parameters and the establishment of increasingly sophisticated data management procedures can be expected to eliminate this concern. However, research into demand management for USS systems would assist new systems (or systems undergoing major policy changes) to reach equilibrium more quickly.

#### 4.4.3 Other Findings and Recommendations

Based on the experience in San Diego, a number of additional preliminary conclusions can be drawn.

- o Variable discount rate. The benefits of varying discount rate by income level were found to be outweighed by the administrative expense involved in processing separate groups of orders.
- o Although bi-monthly expiration dating proved to be both unworkable and unnecessary, retirement of scrip on a less frequent basis has proven to be an effective way of helping to control the amount of scrip that is in circulation. Expiration dates are no longer fixed in advance. For the last two years, however, scrip have been retired on an annual basis, at the end of the fiscal year.
- o Consignment of scrip. If adequately controlled, consignment of scrip to social service agencies can reduce the administrative workload for project staff and ease the scrip purchasing process for agency clients.

#### 4.5 CONTINUING EVALUATION

Phase II of the evaluation will focus on use of the USS mechanism to facilitate coordination of social service agency transportation resources. Promotion of USS for this purpose will be the focus of continuing activities funded under the current grant, and will include efforts to involve agencies in the USS system both as providers and as purchasers of service. This portion of the evaluation will address a wide range of topics, including the nature and effectiveness of the process used to encourage participation by social service agencies; the levels of coordination that are achieved; and the resulting effects on productivity and other coordination-related objectives, as defined by the city and by each participating agency.

In addition, although the converted system has been operating successfully for several months, it continues to



change and evolve. Phase II of the evaluation will monitor future changes, tracking performance indicators and identifying issues that arise with increasing project maturity. Particular attention will be paid to the wheelchair-accessible component, which was converted in October 1984 to USS. Although the new service seems to be operating smoothly, concerns were raised prior to the conversion about the ability of some non-ambulatory users to obtain and use scrip. In addition, concerns have been expressed about the adequacy of individual scrip allotments to meet essential needs. The next phase of the evaluation will address these concerns. Among the basic questions to be answered will be whether USS, as implemented in San Diego, works as well for non-ambulatory as it does for ambulatory users.



APPENDIX A  
REQUEST FOR PROPOSAL - DEVELOPING AREAS AND WHEELS



REQUEST FOR PROPOSALS  
DIAL-A-RIDE TRANSPORTATION PROJECTS

1. INTRODUCTION

A. BACKGROUND

The City of San Diego is seeking proposals for the operation of two projects within the Dial-a-Ride System. The first project, which has operated since 1975, provides demand responsive and prescheduled transportation within City limits for elderly and disabled persons who are unable to use fixed route transit. The second project, which is expected to begin in early 1982, will provide transportation in three developing areas of the City for both wheelchair persons and ambulatory persons who are mobility impaired. Contractors may submit a proposal for one or both projects. If submitting for both, please treat the project as separate and submit two proposals.

B. DESCRIPTION OF PROJECTS

1. Project #1 - Nonambulatory Service Within City Limits

The current City Dial-a-Ride System serves an area of 320 square miles with an elderly and disabled population of approximately 90,000. Curb to curb pick up and drop-off service is provided for certified frail elderly and disabled persons. The average number of wheelchair clients transported is 600 per month, or approximately 60 one way trips per day. Average trip length is 6 miles. In addition to wheelchair persons, persons with crutches, canes, walkers and other special equipment, such as oxygen tanks, are transported in lift equipped vans. No emergency service trips are provided.

The contractor will be responsible for providing the equipment and personnel necessary to operate this project. Nine vans equipped with wheelchair lifts, currently used by City Dial-a-Ride, are available for lease at a cost of \$200 per vehicle per month. The vans, which have an estimated life of 1-2 years remaining, may be inspected at 1970 "B" Street by contacting Bill Marusa at 234-9339. Vehicle maintenance is the contractor's responsibility.

2. Project #2 - Wheelchair and Ambulatory Service to Three Developing Areas.

Dial-a-ride service for the North City, East County and South Bay areas is expected to begin in early 1982. The project will pro-

vide in-zone curb to curb pick up and drop-off service for wheelchair and ambulatory persons who are mobility impaired. The project will also interface with systems operated by other communities.

Three new wheelchair lift equipped vans will be provided by the City for exclusive use in this project. The vehicles are to be maintained by the contractor.

3. General Information

For both projects, management of the day to day operations will be full responsibility of the contractor(s). Eligible riders will be required to make reservations at least 24 hours in advance. The contractor will arrange origin to destination transportation in a manner to accommodate the greatest number of passengers over the shortest feasible routes. Transportation of passengers may take place with less than 24-hour reservations should time and vehicle availability permit.

Passengers will pay for transportation services with coupons issued by the City. Coupons will be redeemed by the City for a specific value.

C. SPECIAL REQUIREMENTS

1. Duration of Projects

Proposals to operate these dial-a-ride projects must be for a twelve (12) month period. Both projects are expected to begin under contract in February or March, 1982.

2. Equipment

The City will provide three (3) new wheelchair lift equipped vans for use by the contractor in operating Project #2 (Service to Developing Areas). The contractor is responsible for providing vehicles for Project #1 (Service Within City Limits), however, nine (9) wheelchair lift equipped vans currently operated by City Dial-a-Ride may be leased from the City for use in this project.

The contractor(s) will be responsible for providing vehicle maintenance and any other equipment required for these projects. All project vehicles shall be lift equipped and hold at least two (2) wheelchairs. Vehicles shall conform to the following general specifications and equipment standards:

a. Radios

Each vehicle shall be equipped with a two-way radio with a FCC licensed frequency. Radios shall be operational on the first day of service and thereafter.

b. Grab Rails

Grab rails shall be located on the interior of each vehicle to provide adequate assistance to passengers.

c. Lifts

Lifts shall be automatic or semi-automatic electro-hydraulic interior wheelchair lifts. The lifts shall have a minimum-test net-load capacity of at least 700 pounds.

The platform shall have a barrier at its outer end to prevent the wheelchair from rolling off the platform. This barrier shall form a ramp to facilitate rolling the wheelchair onto the platform when the lift is at ground level.

There shall be no shear points on the lift that could cause injury to the lift platform occupant. The interior frame of the lift shall be fully padded and insulated to insure a safe and quiet operation while loading, unloading, and transporting passengers.

The City reserves the right in its sole discretion to inspect and reject temporarily or permanently by notice to the contractor any lift the contractor proposes to use or subsequently utilizes which the City deems unacceptable.

d. Wheelchair Restraints

Each wheelchair station shall be equipped with a secure restraint device that will secure the wheelchair to the vehicle and the wheelchair passenger in his/her wheelchair. These devices shall be adjustable to accommodate varying track width wheelchairs.

The City reserves the right in its sole discretion to inspect and reject temporarily or permanently by notice to the contractor any wheelchair restraint device the contractor proposes to use or subsequently utilizes which the City deems unacceptable.

e. Interior Headroom

Each vehicle shall have interior headroom of at least seventy (70) inches.

f. Passenger Door

Each vehicle shall have a curb side door entrance equipped with a driver control mechanism with reinforced door and instrument mounting areas. The exterior entrance step shall have a non-skid surface and shall be no more than fourteen (14) inches from the ground.

All vehicles capable of transporting more than ten (10) per-

sons, including the driver and wheelchair passengers, shall meet all the requirements in the California Vehicle Code for a bus. All parts of the vehicle and all equipment mounted on or in the vehicle shall conform to the provisions of the California Vehicle Code, Federal Motor Vehicle Safety Standards and the California Administrative Code, Title 13, with particular attention directed to the California Highway Patrol Motor Carrier Safety Regulations. All vehicles shall have affixed to the driver door post or outer door edge a certification that the vehicle meets or exceeds all State and Federal requirements as of the date of manufacture.

Bidders shall supply a description (including a schematic diagram and a written description) of any vehicles they propose to utilize which are not provided by or leased from the City. A written description of the wheelchair lifts and restraints should also be included.

The contractor must furnish vehicles in good working condition, both operationally and appearance-wise. Each used vehicle must have a proven performance history. The City reserves the right in its sole discretion to inspect and reject temporarily or permanently by notice to the contractor any vehicle the contractor proposes to use or subsequently utilizes which the City deems unacceptable.

3. Insurance

The contractor(s) shall procure and maintain for the duration of the project(s) an insurance policy naming the City of San Diego, its officers, employees and agents as additionally insured. This policy will provide a minimum of three million dollars (\$3,000,000) in combined single limit liability coverage. The insurer shall agree that its policy will be for the full amount of any loss up to and including the total limit of liability without right of contribution from any other insurance effected by the City of San Diego. The insurer shall also stipulate that the policy will not be canceled until at least thirty (30) days prior written notice has been given to the City. The City will not be responsible for the payment of premiums or assessments.

4. Days and Hours of Operation

Both projects will operate a minimum of ten (10) hours per day (8:00 a.m. to 6:00 p.m.), five (5) days per week (Monday through Friday). Service will not be required on legal holidays which are New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas. Bidders are encouraged to submit proposals to provide additional hours and



days of service. The additional cost for service beyond the minimum requirements should be clearly identified.

5. Operation of Projects

Dial-a-ride users will telephone the contractor's dispatching office with their requests for service at least 24 hours in advance of their requested trip. Users will be requested to give point of origin, point of destination, and requested pick up time. Users will be advised of the time they will be picked up. Records shall be kept by the contractor showing the time calls are received and the time vehicles arrive at the address to provide service. If additional calls for service on a demand basis are received for pick ups in the vicinity of the first call or near the routing of patrons in the vehicles, modifications in routing to pick up additional passengers shall be made if vehicle capacity allows.

The contractor shall do everything possible to avoid any undue delay of any patron, either at point of pick up or enroute. Patrons shall not have any control over the route selected. Pick up of the user shall occur not more than three (3) minutes before or fifteen (15) minutes after the scheduled pick up time. Vehicles shall not wait for the user more than three (3) minutes at any point after sounding the horn. No animals except seeing-eye dogs may be transported by either project. Projects will transport users only within their service areas.

Vehicle drivers shall assist with the loading and securing of passengers in wheelchairs. Ambulatory passengers will be helped on and off vehicles as required. Drivers will also assist passengers with carry-on baggage and groceries.

6. Review and Inspection of Records

The contractor shall permit authorized representatives of the City of San Diego to inspect all data and records related to the project(s) at any time which the City deems necessary to insure adequate performance of the contractor.

D. RESPONSIBILITIES OF THE CONTRACTOR(S)

1. Project Management and Operation

The contractor(s) will be expected to provide the management, personnel and equipment (except for the vehicles provided by the City for Project #2) necessary to operate a transportation system for nonambulatory and mobility impaired persons. This includes scheduling and supervision of personnel, vehicle dispatch and operation,

fare collection and general administrative support.

2. Personnel

- a. All personnel shall be employees of the contractor(s) and the contractor(s) shall be solely responsible for payment of all employees' wages and benefits. The contractor(s), without any expense to the City, shall comply with the requirements of employee liability, worker's compensation, unemployment insurance and Social Security.

The contractor(s) shall hold harmless the City of San Diego from any liability, damages, claims, costs and expenses of any nature arising from alleged violation of any personnel practices.

The City shall have the right to demand removal from the project of any personnel furnished by the contractor for any reasonable cause.

- b. The site supervisor/dispatcher should have at least one year of experience in demand responsive transportation. A site supervisor must be available at all times during operation of the project(s).
- c. Vehicle operators must have valid California Class 2 drivers licenses and any other licenses required by applicable Federal, State and local regulations.
- d. The contractor(s) shall provide training for all personnel which will encompass defensive driving, first aid, CPR, empathy training and public relations. The training program should deal specifically with transporting nonambulatory persons. All new employees shall receive proper training and instruction at the time of hiring and prior to being assigned to the project(s).

3. Vehicle Maintenance and Safety

The contractor(s) is responsible for keeping vehicles in a clean, orderly and safe condition, including exterior washing and interior window washing at least weekly. Vehicles shall be swept or vacuumed and all dirt and debris removed daily.

Safety and mechanical equipment, including wheelchair lifts, shall be maintained by the contractor(s) in accordance with all applicable vehicle laws and regulations. Contractor(s) shall provide the City with copies of the semi-annual California Highway Patrol Reports. The City reserves the right to make periodic inspections of the contractor's equipment and reject the use of unacceptable equipment.

4. Dispatch Center

The dispatch control center shall be adequately equipped for efficiently handling all incoming telephone calls and dispatching vehicles. Center personnel shall be knowledgeable of other regional dial-a-ride systems and make appropriate passenger referrals.

5. Records

a. Operational records maintained by the contractor(s) shall include the following information:

- Driver name and vehicle number
- Passenger name and identification number
- Trip origin and destination
- Beginning and ending of trip mileage to the nearest tenth
- Pick up and drop off time to the nearest minute
- Stated trip purpose
- Number of paying passengers, non-paying aides and free passes for transfers
- Daily ridership by vehicle
- Daily mileage by vehicle
- Daily revenue by vehicle
- Daily record of service requests not met and the reason not met

b. All records prepared by the contractor(s) shall be made available to the City at no additional charge and shall be owned by the City. The contractor(s) may make presentations and releases pertaining to the transportation projects with the permission of the City. Papers and other formal publications shall be approved by the City before they are made public. Contractor(s) shall provide any other reports deemed necessary by the City.

6. Fare Collection

The contractor(s) will collect and account for coupons issued by the City and presented by users for payment of transportation services. Coupons will be redeemed by the City for a specified value.

E. TERMINATION

The contract(s) for either or both transportation projects may be terminated by the City or Contractor upon a finding that the other party has not carried out the terms as set forth in the contract or has otherwise failed to comply with the provisions of the contract. Termination shall be by written notice specifying the reasons for termi-

nation and giving the other party thirty (30) days to correct the default. If the City files for termination, the City shall be the sole judge as to whether the contractor's corrective measures are adequate.

The contract(s) may be terminated by the City if anticipated funding is not received or is removed during the contract period. The City and Contractor may also mutually terminate a contract upon agreement that the continuation of the project would not produce beneficial results commensurate with the further expenditure of funds.

## II. PROPOSAL REQUIREMENTS

### A. CRITERIA FOR PROPOSAL ACCEPTANCE

Proposals will be evaluated by a selection panel which will grade and rank all proposals with respect to criteria developed to examine the technical competence, operational management ability, and suitability of prospective contractors.

Prospective contractors must meet the following criteria as they relate to this Request for Proposal:

1. Have the adequate technical and financial resources for performance or have the ability to obtain such resources as required during performance.
2. Have the necessary experience, organization, technical qualifications, skills and facilities or have the ability to obtain them.
3. Reasonableness of the approach in terms of achieving the stated objective.
4. Have a satisfactory record of performance in providing similar programs.
5. Cost as compared with the level of effort to be expended.
6. Be an equal opportunity employer.

### B. CONTENTS OF PROPOSAL

Proposals shall contain the following information:

1. An overall work plan for achieving the project goals. The plan should detail the operational methods to be used, an implementation schedule and an estimate of the amount of manpower to be used.
2. A listing of required personnel and qualifications for each position. Resumes of key personnel should be provided. If subcontractors are to be used, describe the arrangement as well as their roles in the project.
3. A full description of the training program to be provided for personnel.
4. A schedule of all estimated expenditures in detail, including estimates for manpower. This should include a cost breakdown by:

- Administrative costs (including overhead and office costs)
  - Employee salaries (including number of drivers and number of dispatchers, etc.)
  - Vehicle acquisition costs
  - Vehicle maintenance costs
  - Fuel costs
  - Insurance costs
5. Firm costs per passenger mile of service. A detailed description of how costs are computed should be provided.
  6. A list of clients (address and telephone numbers included) for whom the proposer has performed services similar to those described in this Request for Proposal.
  7. The signature of an individual authorized to bind the offeror, and a statement to the effect that the proposal is a firm offer and for a twelve (12) month period. The proposal should contain a statement that all work will be performed for the contract price, which will become the fixed price upon completion of contract negotiations.
  8. Name, title, address, and telephone number of individuals with authority to negotiate and contractually bind the company and who may also be contacted during the period of proposal evaluation.

C. LIMITATIONS

1. This Request for Proposal does not commit the City of San Diego to award a contract, to pay costs incurred in the preparation of a proposal, or to procure or contract for services or supplies. The City of San Diego reserves the right to accept or reject any or all proposals received as a result of this request, to negotiate with any qualified sources, or to cancel in part or in its entirety this Request for Proposal, if it is in the best interest of the City to do so. The Proposal Coordinator may require the proposers selected to participate in negotiations and to submit such prices, technical, or other revisions of their proposals as may result from negotiations.
2. Contractor(s) will not discriminate against any employee, or against any applicant for such employment, because of age, race, color, religion, sex, physical handicap, ancestry or national origin. This provision shall include but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
3. The contractor(s) shall comply with the requirements of the City's Affirmative Action Program for Vendors as recorded with the City Clerk in Document No. 746204. Contractor(s) will be required to

submit a Certificate of Compliance with the City of San Diego's Affirmative Action Program for Vendors prior to the award of contract, as evidence of approval of their Affirmative Action Plan.

D. PROPOSAL RESPONSE

One (1) original and seven (7) copies of the completed proposal should be submitted for each project and must be received by the City of San Diego no later than 5:00 p.m., October 2, 1981. The mailing address for the City is 202 "C" Street, Mail Station 9A, San Diego, California 92101. Proposals should be directed to the attention of Elaine M. Balok, City Manager's Office.





APPENDIX B  
TECHNICAL ANALYSIS OF  
COST-EFFECTIVENESS PRIOR TO  
SYSTEM CONVERSION



TECHNICAL ANALYSIS OF COST-EFFECTIVENESS  
PRIOR TO SYSTEM CONVERSION

The following provides more detailed discussion of points summarized in Section 2.4.3 of this report.

Vehicle Service Miles vs. Passenger Miles. The staff compared the TDA reports on the city's cost per vehicle service mile with taxi rates translated to costs per mile (while a passenger was aboard). However, the city operation also reported 2.5 passenger miles per vehicle service mile. In fact, although there was a significant amount of shared-riding (even beyond the subscription tours), none of this group- and shared-riding was credited to the city operation.

By contrast, the CAC and SANDAG relied upon the TDA reports of "operating cost per passenger mile" to indicate that the public operation was probably less costly than taxi rates. As of the spring of 1981, this figure was as low as \$.70 per passenger mile. The focus on this performance indicator was appropriate but at least two adjustments would be desirable to accurately compare across public and private operations.

First, the data on passenger miles for the public operation include all circuitous mileage due to shared-ride dispatching. This overstates productivity relative to an exclusive-ride operation in which only direct origin-to-destination mileage is reported and billed for payment. Ideally, then, in analyzing

data for the public operation, circuitous mileage should be factored out to provide a more accurate comparison.\*

Second, taxi rates should be credited with whatever group or shared riding can reasonably be expected. If there are no expectations for shared riding on taxis, one can simply apply the group riding factor that is experienced on the existing public system. In San Diego, there were approximately 1.25 boarding passengers for each discrete origin and destination pair.\*\*

Capital Depreciation and Maintenance. There is no formal accounting of depreciation in the city accounting system or in the state's TDA reporting format. As indicated in Section 2.3.1, city staff added \$700 per month per vehicle to the public costs to account for vehicle leasing. However, the staff's methodology did not address the claim that recent operating costs over the last few years included very high maintenance costs on the 1974-76 model vehicles.

As of July 1980, the nine lift-equipped Dodge vans had already reached an average of 125,000 miles; the Mercedes minibuses had averaged 150,000 miles. A reported 20% (\$116,000)

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\*For the purpose of this evaluation, a brief analysis was performed of a five-cluster sample of 102 non-subscription trips. The sample was drawn from fall 1981 reports and averaged eight recorded passenger miles per boarding passenger. Approximately 40% of the passengers received direct service, averaging 4.5 miles per trip; 60% received indirect service, averaging 10.6 miles per trip, including circuitry. Time would not permit a full analysis of circuitous mileage. However, if one assumes that direct mileage accounts for between five and nine miles of the average 10.6-mile shared trip, then it accounts for between 59% and 88% of all passenger miles recorded for the system. Based on these figures, factoring out circuitous mileage would increase figures for cost per passenger mile by anywhere from 13% to 69%.

\*\*Based on a sample of 350 non-subscription trips recorded in the fall of 1981.

of the system's FY80 operating costs were spent for maintenance,<sup>1</sup> which translates into approximately \$5,000 per vehicle or \$.30 per vehicle service mile. A more realistic average over the economically useful life of the vehicle would be \$.07 per mile for maintenance, \$.11 per mile for depreciation.<sup>2</sup> As a result, there was probably no need to modify cost projections for the public operation to account for recapitalization of the dial-a-ride fleet.\*

Miscellaneous Public Costs Not Included. Cost reporting for the publicly-operated system did not reflect capital investment and utility costs for office space or vehicle storage space.\*\* The same is true for insurance, legal and personnel costs.\*\*\* The total amount of these unaccounted operational costs is estimated by the evaluation contractor to be less than \$.05 per passenger mile, which would allow over \$3,000 per month.

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<sup>1</sup>SANDAG, Community Transit Service Evaluation Study, October 1981, p.52.

<sup>2</sup>FHWA, Cost of Owning and Operating Automobiles and Vans, 1982, p. 18.

\*It is assumed, for comparison purposes, that taxi rates include sufficient allowance for depreciation.

\*\*The operations office consisted of a trailer on the grounds of a city maintenance yard where there were allotted parking spaces for the program and employee vehicles.

\*\*\*The city is self-insured for most of its operations, including dial-a-ride. The risk-management department oversees safety programs and processes claims filed against the city. Claims costs are paid by the general city budget. Historically, there had been very few claims (and none over \$10,000) in connection with the dial-a-ride program. In FY 81, there were four claims with a total loss payment of \$2,405; in FY 82, there were five claims with a total loss payment of \$1,748. According to the risk management department, this is characteristic of the claims history.

Inflation and Productivity Trends. City staff made numerous references to an average 19% annual increase in budget for the dial-a-ride program during the three year period of FY 79-81. However, this figure ignored changes in service outputs or productivity. Unit costs fluctuated considerably from one reporting period to the next during FY 80 and FY 81, but increased less than 19% on an annualized basis; in addition, the rate of unit-cost inflation was decreasing significantly. At least two of the unit-cost performance indicators (cost per service mile and per boarding passenger) had actually decreased during FY 81; costs per passenger mile and revenue passenger had essentially stabilized.

In fact, recent changes to the dial-a-ride program had been so substantial as to preclude any easy analysis of inflationary trends.\* One alternative would have been to compare public versus private costs at the time (i.e., as of the spring of 1981), without projections of future trends. As discussed below, this is the approach that staff used in analyzing private-sector unit costs.

Taxi Rates. At the time that the debate was occurring (fall 1981), a majority of taxi companies charged either \$1.00 or \$1.20 for the flag drop plus \$1.20 per mile. The staff most commonly cited an average combined figure of \$1.25 per mile; occasionally, this figure was dropped to \$1.15 per mile in public discussions. City council members primarily remembered the \$1.15 per mile figure as being one-half of a projected \$2.30 per mile figure for public operation. These average rates actually underestimated the effect of the flag drop change, given the shorter trips being projected for the converted system. Two

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\*In particular, several modifications in fares had had substantial impacts on demand and produced a "see-saw" pattern in performance indicators.

staff examples of how \$32 worth of coupons could be used for a series of trips (all four miles one-way or less) actually calculate out to \$1.45 and \$1.58 per mile respectively.

Three additional components of USS/taxi costs were not included in any analysis: metered time charges, public administration costs, and inflation.

Taxi meters in most large cities substitute time charges for mileage charges when vehicle speed drops below a certain point; the transition point for the three largest taxi companies in San Diego ranged from 7.5 to 9 miles per hour. Below these speeds, higher time rates take effect. The primary impact occurs in slow, heavy traffic and at stoplights, though the overall average impact may be small or large, depending on rates, trip lengths, and average vehicular speeds experienced in a particular city.\*

The old dial-a-ride operation included significant administrative costs not covered under private-sector rates-- e.g., for registration of users, user complaints, staffing of the CAC, operational data, and preparation of reports. Likewise, a USS system adds the workload of coupon sales, redemptions and contract administration. Some public administration cost should have been added to private-sector unit costs for comparison purposes in San Diego. The city staff most commonly cited a \$100,000 public administration cost for the new system, which, when averaged over 750,000 passenger miles, would have added \$.13 per passenger mile.

Finally, no inflation was projected for private-sector rates; in contrast, as already indicated, costs for public operation were probably over-inflated. Bids for wheelchair-accessible service were for a one-year period, but were subject to renegotiation at any time due to inflationary pressures.

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\*The evaluation contractor estimates a possible 8% increase in unit cost due to this factor in San Diego. However, this figure cannot be considered dependable, and is not included in any cost comparison.

Furthermore, an analysis of recent taxi rates would have indicated more substantial inflationary trends for the private sector than those calculated for the city's operation. A TSC evaluation of taxi regulatory revisions has identified the following trends in taxi rates after the onset of variable pricing in August 1979 (at which time there was an initial 26% increase):

Industry average fares gradually rose another 28 percent during the following 30 months (through December 1981) ... The increase has been continuous since variable pricing, averaging five percent per quarter ... The relatively large increases recorded during the latter half of 1981 suggest that renewed upward pressure is being felt.<sup>1</sup>

These increases were accompanied by a corresponding drop in productivity indicators for the industry during this period of time.<sup>2</sup> These negative trends clearly exceeded those being experienced for the city operation.

With the dramatic decrease in general inflation in 1982, particularly for energy prices, the trends for the private sector did not continue at the above pace. Taxi rates in the fall of 1982 were roughly the same as in the fall of 1981. There is no way to compare the eventual outcome for public operation. In the fall of 1981, however, the appropriate analytical conclusion would have been to assume that the taxi industry and city dial-a-ride operation were subject to similar unit-cost pressures.

Summary of Cost-Effectiveness Analysis. The previous sections mention a number of weaknesses contained in the analysis

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<sup>1</sup>Deleuw, Cather & Company, Effects of Taxi Regulatory Revisions in San Diego, draft final report to TSC; May, 1982; p. 80.

<sup>2</sup>Op. cit., p. xx.



of comparative costs. Table B-1 presents an alternative comparison of projected public and private sector costs, taking into account the following considerations:

1. Passenger Miles vs. Vehicle Miles: giving both public and private operations the benefit of overlapping passenger mileage from group riding,
2. Depreciation & Maintenance Costs Combined: crediting cost data for the existing public operation as inadvertently, but realistically, covering both depreciation and maintenance costs.
3. Miscellaneous Public Costs Not Previously Included: adding up to \$.05 per passenger mile for space/utility and self-insurance costs.
4. Inflation and Productivity Trends: basing the analysis on spring 1981 data with no attempt to quantify trends for public vs. private operations into the future.
5. USS Taxi Time Charges and Public Administration Costs: adding these two components to private sector rates.

Because there has been no firm analysis of circuitous mileage, the table presents cost comparisons based on four alternative assumptions. As shown, only if direct mileage accounts for less than 60% of all passenger miles do projected public sector unit-costs equal or exceed those for private sector operation.

TABLE B-1

EVALUATION CONTRACTOR'S COMPARISON OF  
PUBLIC-SECTOR VERSUS PRIVATE-SECTOR COSTS PER PASSENGER MILE

Basic cost per mile	\$ .70 (TDA pass. mile)	\$1.40* (vehicle mile)
Group riding factor	Included	1.25
Vehicle depreciation/ maintenance	Included	Included
Miscellaneous public costs	+.05/pass. mile	---
Inflation		--- ---**
Taxi time charges		---**
USS administration	---	+.13***
<hr/>		
Not accounting for circuitous mileage	\$ .75	\$1.25
Assuming direct mileage accounts for 88% of all dial-a-ride passenger mile	\$ .85	
Assuming direct mileage accounts for 74% of all dial-a-ride passenger miles	\$1.02	
Assuming direct mileage accounts for 66% of all dial-a-ride passenger miles	\$1.13	
Assuming direct mileage accounts for 59% of all dial-a-ride passenger miles	\$1.27	

\*Includes flag drop.

\*\*As indicated in the text, these two items would have added an additional increment of cost to private-taxi services; no specific estimate has been developed.

\*\*\*Based on pre-conversion budget.

APPENDIX C  
DAR APPLICATION FORMS  
OLD AND NEW





In filling out your registration application, use the following guide

*Question 1* – choose the blank that applies to your situation, and mark it with an X.

*Question 2 through 6* – use one space for each letter, and fill in the information

*Question 7* – use numbers for the month, day, and year of birth, using a zero where needed. For example, June 1, 1978 would be shown as

0	6	0	1	7	8
---	---	---	---	---	---

*Question 8* – use M for male, F for female.

*Question 9* – use date of completing and mailing the form.

*Question 10* – Dial a Ride is for people who can't drive or have no car or have no transportation. We need to know if this pertains to you.

*Question 11* – list any aids you use in traveling, such as (a) an escort or aide, (b) a wheelchair, (c) crutches, cane, or walker, etc.

*Question 12* – note any other circumstances that would be helpful for Dial a Ride to know, such as (a) hard of hearing, (b) limited use of English, (c) portable oxygen bottle, etc.

*Question 13* – indicate your most likely destination(s). This information will be helpful to our schedulers.

### DISABILITY VERIFICATION FORM

Have the verification form completed by your doctor, nurse or physical or occupational therapist if you are under 60 years of age and disabled.

Name of applicant \_\_\_\_\_

The above named has the following illness, injury, malfunction, disability, or other incapacity which restricts his/her ability to use regular transit buses.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The disability is expected to last for \_\_\_\_\_ months, or the disability is permanent.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

---

**APPLICATION**  
*City of San Diego*  
**DIAL-A-RIDE**  
**PROGRAM**

---

The City of San Diego's Dial-a-Ride is being modified in order to include taxicab service along with van service for persons in wheelchairs.

The total number of trips that Dial-a-Ride can provide will be increased and more people will be served.

All Dial-a-Ride passengers need to re-apply for the modified program which will begin on June 1, 1982. Please fill out the enclosed application form and return it as soon as possible to:

---

**DIAL-A-RIDE PROGRAM**  
1970 B Street  
San Diego, CA 92101  
234-9339

---

ELIGIBILITY REQUIREMENTS

1. *Disability which prevents the passenger from using transit buses.*
2. *Neither the passenger nor their spouse have an automobile.*
3. *Adult.*
4. *Resident of the City of San Diego.*
5. *Income up to:*  
*\$15,000 for one person*  
*\$17,000 for a married person*

(If your income is higher than the limit but you have unusual expenses because of your disability—special consideration will be given to you—please explain your circumstances on the application form).

# APPLICATION

City of San Diego

## DIAL-A-RIDE PROGRAM

---

Mail completed form to: DIAL-A-RIDE  
1970 B Street  
San Diego, CA 92101

---

Name \_\_\_\_\_ Date of Birth \_\_\_\_\_  
Last First Middle Phone #  
Address \_\_\_\_\_  
Street Apt. No. Zip

Male  Female  Married  Single

Specific reason you are unable to use transit buses \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Is this condition permanent \_\_\_\_\_ Temporary \_\_\_\_\_  
How Long?

Are you confined to a wheelchair? \_\_\_\_\_

Do you or your spouse have an automobile? \_\_\_\_\_

Doctors Name \_\_\_\_\_

Doctors Address \_\_\_\_\_  
(A form will be sent to your doctor to verify your disability)

Income  \$ 0-\$ 5,000  \$ 5,001-\$ 7,000  \$ 7,001-\$ 9,000  \$ 9,001-\$12,000  \$12,001-\$15,000  \$15,001-\$17,000  \$17,001 & Up

Special Circumstances:  
\_\_\_\_\_  
\_\_\_\_\_



How often would you use Dial-a-Ride?

- |   |  |
|---|--|
| <input type="checkbox"/> 4 times a week | <input type="checkbox"/> 1 time a month  |
| <input type="checkbox"/> 3 times a week | <input type="checkbox"/> 2 times a month |
| <input type="checkbox"/> 2 times a week | <input type="checkbox"/> 3 times a month |
| <input type="checkbox"/> 1 time a week  |  |

For which of the following reasons do you use Dial-a-Ride:

- Medical Appointment
- Grocery Shopping
- Education
- Work
- Recreation
- Other \_\_\_\_\_

How many miles of Dial-a-Ride service would you use in a month? \_\_\_\_\_

*I understand that Dial-a-Ride is for persons with disabilities that prevents them from using transit bus service, and verify that the above information is correct. I authorize my personal physician to release the information necessary to determine my eligibility for Dial-a-Ride.*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*



THE CITY OF  
**SAN DIEGO**

CITY ADMINISTRATION BUILDING • 202 C STREET • SAN DIEGO, CALIF. 92101

April 20, 1982

OFFICE OF THE  
CITY MANAGER  
236-6363

Dear Physician:

Your patient, \_\_\_\_\_ has applied for Dial-a-Ride service. The City is in the process of re-screening all Dial-a-Ride passengers and evaluating new passengers. Enclosed is a Physician's Statement form; we request that you complete and return the form which has been designed to help us determine your patient's eligibility for Dial-a-Ride. The patient has signed a release and requested that this information be provided (attached).

Dial-a-Ride is a transportation service designed specifically for persons with physical and mental disabilities which prevent them from using transit bus service.

Blindness, diabetes, hypertension, epilepsy, anxiety, or developmental disabilities are not in themselves considered to be disabilities which prevent an individual from using transit bus service. Under another program provided by the City of San Diego, persons with such disabilities may be entitled to ride the transit bus service at a reduced rate. To be eligible for Dial-a-Ride, a person must be unable to board or leave a transit bus, be unable to walk the distance to the bus stop, be unable to communicate sufficiently, have a serious cognitive disability and/or have some other substantial functional impairment which prevents them from using transit.

Due to the limited amount of Dial-a-Ride service available and the expense of providing the service, it is essential that the service be provided only to persons who are truly disabled and unable to utilize the transit bus service. Please carefully evaluate your patient's need for Dial-a-Ride.

If you have any questions, please call Barbara Lupro, Paratransit Administrator at 236-7017.

Thank you for your cooperation.

Sincerely,

Elaine M. Balok  
Assistant to the City Manager

EMB:BL:jt

attachment



THE CITY OF  
**SAN DIEGO**

CITY ADMINISTRATION BUILDING • 202 C STREET • SAN DIEGO, CALIF. 92101

PHYSICIAN'S STATEMENT

OFFICE OF THE  
CITY MANAGER  
236-6363

Patient's Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

The person named above has applied to the Dial-a-Ride program for transportation service. Please complete the following statement so that their eligibility for the program can be evaluated. The patient has requested that you provide the information.

Dial-a-Ride service is provided to residents of San Diego of any age who are unable to use the transit bus service because of their physical or mental disability.

PLEASE PRINT OR TYPE

In your medical opinion does the patient have a physical or mental disability that prevents him/her from using the transit bus service?

YES \_\_\_\_\_ NO \_\_\_\_\_

What is the specific disability?

\_\_\_\_\_

Specifically why is the patient unable to use the transit bus service?

\_\_\_\_\_

Is this disability permanent or temporary?

Permanent \_\_\_\_\_ Temporary \_\_\_\_\_

If temporary, what is the expected duration?

\_\_\_\_\_

To the best of my knowledge, the statements made above are true and correct.

Physician's Signature \_\_\_\_\_

Name \_\_\_\_\_ Date \_\_\_\_\_


Please return to:

Dial-a-Ride  
1970 "B" Street  
San Diego, CA 92102

EMB:BL:jt

CITY OF SAN DIEGO  
DIAL-A-RIDE  
APPLICATION

Eligibility Status

MAIL COMPLETED FORM TO  DIAL-A-RIDE  
202 "C" Street  
Mail Station 8-A  
San Diego, CA 92101

NAME \_\_\_\_\_ SOCIAL SECURITY # \_\_\_\_\_  
Last First

ADDRESS \_\_\_\_\_ PHONE # \_\_\_\_\_  
Number Street Zip Code

DATE OF BIRTH \_\_\_\_\_ Male \_\_\_\_\_ Female \_\_\_\_\_

MARITAL STATUS:  Married  Single  Widow

1. (a) DOES ANYONE IN THE FAMILY HOUSEHOLD OWN AN AUTOMOBILE?  Yes  No  
If yes, which member?  Self  Spouse  Other \_\_\_\_\_  
Specify

(b) ARE YOU ABLE TO DRIVE?  Yes  No  
If not, what condition exists which prevents your driving? \_\_\_\_\_

(c) DOES ANY MEMBER OF YOUR FAMILY HOUSEHOLD DRIVE?  Yes  No  
If yes, who drives? (1) \_\_\_\_\_  
(2) \_\_\_\_\_  
(3) \_\_\_\_\_

2. ARE YOU CONFINED TO A WHEELCHAIR?  Yes  No

3. DO YOU USE A CANE OR WALKER?  Yes  No

4. ARE YOU ABLE TO RIDE IN A TAXI?  Yes  No

5. DO YOU REQUIRE ASSISTANCE TO OR FROM A VEHICLE?  Yes  No

6. WHAT MEANS OF TRANSPORTATION DO YOU CURRENTLY USE?  Bus  Friend  Relative  
 Own Car  Other \_\_\_\_\_  
Specify

7. ARE YOU ABLE TO USE REGULAR TRANSIT BUSES?  Yes  No

(a) If no, specify medical condition which prevents you from using regular transit buses. \_\_\_\_\_

(b) Is this condition permanent?  Yes  No

If no, how long do you expect it to last? \_\_\_\_\_

- OVER -

Revised 11/82





THE CITY OF  
**SAN DIEGO**

CITY ADMINISTRATION BUILDING • 202 C STREET • SAN DIEGO, CA 92101

FINANCIAL  
MANAGEMENT  
DEPARTMENT

*this form mailed whenever an application is  
received incomplete*

Dear Mr./Mrs./Ms.

We are returning your application because it is incomplete.  
Please provide us with the following information and  
return both this form and your corrected application.

- Phone number
- Birth Date
- Marital Status
- Combined Family Income
- Doctor's Name, Therapist and Complete Address
- Signature and Date (on back)
- Other: \_\_\_\_\_

Mail the completed application to our new address:

DIAL-A-RIDE  
City of San Diego  
202 "C" Street  
Mail Station 8-A  
San Diego, CA 92101

Thank you,

THE DIAL-A-RIDE STAFF

*We are now notifying everyone that applies the status of their eligibility*

(4)

City of San Diego  
DIAL-A-RIDE  
202 "C" St.,  
San Diego, CA 92101  
236-5634

LETTER OF ELIGIBILITY STATUS

Your application for DIAL-A-RIDE Services has been received and processed. Based on the information we received from you and your doctor, your eligibility is as checked below:

- You are ELIGIBLE for DIAL-A-RIDE Services.
- You are TEMPORARILY ELIGIBLE for DIAL-A-RIDE Services. Your Eligibility will EXPIRE ON \_\_\_\_\_.
- You are NOT ELIGIBLE for the following reason(s):
  - You are under 18 years of age.
  - You are not a resident of the City of San Diego.
  - You do not meet the income requirements
  - You are a member of a household with a car.
  - A review of your file indicates that you are able to use regular transit buses.

In the event that circumstances concerning your eligibility change, you are encouraged to reapply. If you feel your situation should be reevaluated, please state your reason in a letter, and mail it to the above address.

If you have any questions, please feel free to call me at 236-5634.

\_\_\_\_\_

11/82

5

*this form is attached  
to each application after  
eligibility has been determined*

ELIGIBILITY CERTIFICATION WORKSHEET

*Please note staff is now required to sign form  
for accountability of certification*

Dr. Certification Form:

Mailed \_\_\_\_\_  
Date

Rcvd. \_\_\_\_\_  
Date

Based on information provided, this applicant is determined to be:

Eligible \_\_\_\_\_  
Date

Ineligible \_\_\_\_\_ Reason \_\_\_\_\_  
Date  
\_\_\_\_\_  
\_\_\_\_\_

Temporary \_\_\_\_\_  
Expiration Date

Conditional

Limited

\_\_\_\_\_  
Authorized Signature Date

Comments \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



APPENDIX D  
REQUEST FOR PROPOSAL AND CONTRACT  
USS TAXI SERVICE





THE CITY OF  
**SAN DIEGO**

CITY ADMINISTRATION BUILDING • 202 C STREET • SAN DIEGO, CA 92101

FINANCIAL  
MANAGEMENT  
DEPARTMENT  
236-7017

July 7, 1982

Dear Sir/Madam:

The City of San Diego invites you to submit a proposal for providing transportation service for the City's Dial-a-Ride system. This service will provide demand-responsive and pre-schedule transportation for certain elderly, disabled and mobility-impaired persons within the City limits utilizing coupons for payment.

Please review the attached Request for Proposals. If you choose to submit a proposal, an original and four (4) copies must be submitted to:

City of San Diego  
Paratransit Administration  
202 "C" Street, MS 8-A  
San Diego, CA 92101

Attn: Barbara Lupro Paratransit Administrator

There is no deadline for submittal. Proposals will be approved or rejected within two (2) weeks of receipt by this office.

For further information please contact me at 236-7017 or come to the 8th floor conference room, 202 C Street at 10:30 a.m. Thursday, July 15, 1982.

Sincerely,

Paratransit Administrator

BL:jt

attachment

Request for Proposals  
Dial-a-Ride Transportation

Introduction

The City of San Diego is seeking proposals from taxi and paratransit vehicle operators who wish to provide service for the City's Dial-a-Ride system.

Background

San Diego Dial-a-Ride is an essential transportation service for frail elderly and mobility impaired residents of the City within the 320 square miles of the City limits. There are approximately 2,000 persons registered for Dial-a-Ride.

Beginning in July 1982, Dial-a-Ride passengers not requiring lift-equipped vehicles will select their own transportation provider from a City-approved list of participating companies. Passengers will pay the operator for service with coupons issued by the City. The coupons will be redeemed by the City to the company for the specified value.

Specific Requirements

1. Proposals must be submitted on the attached form. Upon approval by the City, the proposal will become a registration to provide service.
2. Proposers must have and maintain a valid permit authorizing the operation of a taxi or paratransit vehicle within the City of San Diego.
3. Service providers operating under a City-issued permit must meet applicable insurance and operating requirements of the City of San Diego.

REQUIRED INSURANCE COVERAGE

<u>Passenger Seating Capacity</u>	<u>Bodily Injury/Death One Person</u>	<u>Bodily Injury/Death One Accident</u>	<u>Property/Damage</u>
9 pass. or less	\$250,000	\$ 500,000	\$100,000
10 to 22 pass.	250,000	750,000	100,000
23 pass. or more	250,000	1,000,000	100,000

4. Service providers must specify the rates of fare to be charged for this service. Rates for this service may not exceed the maximum rate(s) filed as a permit-holder.

5. Service providers agree to accept City issued coupons from eligible passengers in payment for services. These coupons accompanied by supporting records i.e. voucher(s), will be submitted to the City for redemption along with an invoice.
6. Vouchers furnished by the City will be completed for each trip provided under this service.

Proposal Response

Proposals must be sent to:

City of San Diego  
Paratransit Administration  
202 C Street, MS 8-A  
San Diego, CA 92101

Termination

Registration to provide service will be terminated if the operators fail to comply with any of the above requirements. Registration may also be cancelled by the City if anticipated funding is not received or is removed during the effective period. The City and the service provider may mutually terminate the agreement if continuation would not produce beneficial results.

Fraud

Participation in any fraudulent activity will cause the service provider(s) and/or the passenger(s) to be ineligible for the Dial-a-Ride program and appropriate legal action will be taken.

City of San Diego  
Dial-a-Ride  
Registration

Company Name \_\_\_\_\_ Phone \_\_\_\_\_

Company Address \_\_\_\_\_

Contact Person \_\_\_\_\_ Title \_\_\_\_\_

Medallion Numbers \_\_\_\_\_

RATES:

Exclusive ride \_\_\_\_\_ per mile

Shared ride \_\_\_\_\_ per zone

Fixed route \_\_\_\_\_ per person

Other \_\_\_\_\_

Effective Dates: \_\_\_\_\_ through \_\_\_\_\_

Insurance Carrier \_\_\_\_\_

Policy Number \_\_\_\_\_

I certify that I currently hold valid permit(s) to operate a paratransit service in the City of San Diego and propose to offer this service to eligible Dial-a-Ride program passengers and to accept for payment valid City-issued coupons, complying with the rates and information as stated above. I also understand that the coupons must be submitted within 5 days of their expiration date and must be accompanied by completed and signed vouchers. I agree to provide the City with supporting records upon request.

Date \_\_\_\_\_ Signature \_\_\_\_\_

for \_\_\_\_\_

-----  
-for City use only-

Approved: \_\_\_\_\_

Date: \_\_\_\_\_

CITY OF SAN DIEGO  
DIAL-A-RIDE REGISTRATION

Company Name \_\_\_\_\_ Phone \_\_\_\_\_  
Company Address \_\_\_\_\_  
Contact Person \_\_\_\_\_ Title \_\_\_\_\_  
Medallion Numbers \_\_\_\_\_

RATES OF FARE

I. Posted City Rates

1. Exclusive Ride: Flag \$ \_\_\_\_\_ first \_\_\_\_\_ mile; Mile \$ \_\_\_\_\_; Time \$ \_\_\_\_\_
2. Shared Ride: \$ \_\_\_\_\_ per zone
3. Other: \_\_\_\_\_

II. Dial-A-Ride Discount Rates (if different than above).

1. Exclusive Ride: Flag \$ \_\_\_\_\_ first \_\_\_\_\_ mile; Mile \$ \_\_\_\_\_; Time \$ \_\_\_\_\_
2. Shared Ride: \$ \_\_\_\_\_ per zone.
3. Other: \_\_\_\_\_

INSURANCE

Carrier \_\_\_\_\_ Policy # \_\_\_\_\_  
Coverage Levels \_\_\_\_\_ Expiration Date \_\_\_\_\_

I certify that I currently hold and will maintain valid permit(s) to operate a para-transit service. I propose to offer this service to eligible Dial-A-Ride (D.A.R.) program passengers, to accept for payment valid, City-issued coupons, and to comply with the rates and information as stated above. I understand that if I file discount rates for D.A.R. users, I must charge no more than those rates for all Dial-A-Ride trips. I understand that the City of San Diego provides a company listing including rates of fare as a courtesy to eligible D.A.R. passengers. If my company charges a D.A.R. passenger more than the rate I have filed for this service, I understand that the City will remove my company from this list. I agree to abide by the policies of the City and to provide the City with supporting records upon request.

Date \_\_\_\_\_ Signature \_\_\_\_\_  
for \_\_\_\_\_

-----  
CITY USE ONLY

Date \_\_\_\_\_ Approved \_\_\_\_\_

## DIAL-A-RIDE WEEKLY BILLING INSTRUCTIONS

All companies participating in the Dial-A-Ride program are requested to conform to the following billing procedures. Please note that the City has established policies concerning vouchers and billing periods. Payment will be made in a timely fashion if all parties adhere to these procedures.

### 1. Billing Cycle

All billing statements must be submitted for a seven day period that begins on a Monday and ends on the succeeding Sunday. The bill for the one week period must be submitted to the City by the first Friday following the end of the period. Please see Attachment 1 for period and submittal dates.

### 2. Submittal Requirements

When submitting your bill you must include the vouchers and coupons for that billing period only. The City will not process for payment vouchers and coupons from previous billing periods. Therefore, it is the company's responsibility to collect vouchers and coupons from their drivers prior to the Friday billing deadline. Please have the coupons for a trip stapled to the proper voucher.

### 3. Voucher Requirements

All Dial-A-Ride trip vouchers must be completely filled out and legible. Please see Attachment 2 for the required information and format. The City understands that this is a lot of information to collect for a trip. However, state and federal reporting requirements mandate that much of this information be collected. After a warning procedure outlined below, the City will not accept incomplete or illegible vouchers. The policy for problem vouchers is as follows:

1. First Problem: The City will point out the problem(s) to the company.
2. Second Problem: The City will issue a first warning to the company.
3. Third Problem: The City will issue a final warning to the company and state that any more problem vouchers will not be paid.
4. Fourth Problem: The City will not pay for incomplete or illegible vouchers.

A problem is defined as one or more incomplete or illegible vouchers during one billing period.



4. City's Responsibilities

The City will pay the company for a Dial-A-Ride bill within two weeks of the Friday submittal deadline. In many instances payment will be made within one week if there are not major problems with the statement, vouchers or coupons.

5. Questions or Problems

Please direct all questions or problems to John Kay or Kay Avery at 236-7195.

## BILLING SCHEDULE

Billing Period	Latest Submittal Date	Latest Payment Date
October 4 - October 10	October 15	October 29
October 11 - October 17	October 22	November 5
October 18 - October 24	October 29	November 12
October 25 - October 31	November 5	November 19
November 1 - November 7	November 12	November 26
November 8 - November 14	November 19	December 3
November 15 - November 21	November 26	December 10
November 22 - November 28	December 3	December 17
November 29 - December 5	December 10	December 29
December 6 - December 12	December 17	January 5
December 13 - December 19	December 27	January 7
December 20 - December 26	January 3	January 14
December 27 - January 2	January 7	January 21

NOTE: Latest payment date refers to the latest date the City has to pay the company. Checks are printed and mailed on Wednesdays and Fridays.

December 24 and 31 are legal holidays. The City will be closed and no checks will be issued those days.

CITY OF SAN DIEGO -- DIAL-A-RIDE VOUCHER

Company 1 Cab # \_\_\_\_\_ Date 2 Start Time 3 End Time \_\_\_\_\_

Origin 4 Destination \_\_\_\_\_ Total Passengers 5  
Address Address

Trip Distance (nearest tenth) 6 Meter Fare \$ 7 OR Zone Fare \$ \_\_\_\_\_  
Miles

FARES PAID

	Passenger 1	Passenger 2	Passenger 3	Passenger 4
I.D. Number	<u>8</u>			
Coupon Amount Paid	<u>9</u>			
Cash Amount Paid	<u>10</u>			

White to City; Yellow to Company; Pink to Passenger

VOUCHER INSTRUCTIONS

Any driver transporting a San Diego Dial-A-Ride customer must report the following information on the Dial-A-Ride voucher. All numbered items must be completed fully and written clearly.

1. Self-explanatory.
2. Record the month, day and year of the trip (Example: 9/10/82)
3. Record the start time and end time of the trip in military time (Example: 8:00 a.m. is 0800; 3:00 p.m. is 1500)
4. The origin and destination must include the address number and street name. (Example: 3331 Adams Ave.)
5. Record the total number of passengers in the cab for that trip. This number includes non-Dial-A-Ride passengers.
6. Record the trip distance in miles to the nearest tenth. (Example: a trip of seven miles and two tenths would be written as 7.2)
7. Record the full meter fare shown on the meter (or full zone fare for shared ride) even if you offer a discount.
8. The passenger I.D. number for each passenger paying in coupons must be recorded. The I.D. number is a six digit number always beginning with one(1). All D-A-R users have been issued a card with their I.D. number.
9. Record the dollar amount of coupons paid for the trip by each passenger. Do not record any cash amount paid for the trip in this space.
10. Record the dollar amount of cash paid for the trip by each D-A-R passenger.

AUDIT PROCEDURE

1. Screen the voucher for completeness and legibility. Any voucher with missing information or illegible writing is considered an incomplete voucher. The following items must be completed and legible prior to separating coupons from the voucher:

<u>Required Items</u>	<u>Action if Missing</u>
I.D. number or Name	Mark one coupon serial number on voucher in red ink. Clarify number if illegible.
Coupon Amount Paid	Count the attached coupons and mark dollar amount in that space. Clarify number if illegible.

*Do not fill in any other missing information, just circle in red.*

2. Remove coupons from back of voucher.
  - a. Place complete vouchers in one pile and incomplete or exception vouchers (exception means "Coupon Amount Paid" exceeds meter fare or a coupon tip was noted) in another pile.
  - b. Divide coupons into 20¢ face value or \$1 face value piles.
3. Total the "Coupon Amount Paid" space from all vouchers. Run a tape and enter the total on the Audit Sheet in the "Coupon Amount Paid" space.
4. Total the 20¢ coupons; total the \$1 coupons. Add these two figures. Enter these three figures on the Audit Sheet in the "Face Value of Coupons" space.
5. Complete the Audit Sheet except for the Amount Paid space and take to your supervisor.

AUDIT SHEET

COMPANY \_\_\_\_\_

Invoice # \_\_\_\_\_ Date \_\_\_\_\_ Period \_\_\_\_\_

Coupon Amount Paid (from vouchers) \_\_\_\_\_

Face Value of Coupons    20¢ \_\_\_\_\_  
                                  \$1        \_\_\_\_\_  
                                  Total: \_\_\_\_\_

Invoice Amount Billed \_\_\_\_\_

AMOUNT PAID \_\_\_\_\_

Coupon Amount \_\_\_\_\_  
- Face Value        \_\_\_\_\_  
= Coupon Adjust    \_\_\_\_\_



APPENDIX E  
AMERICAN RED CROSS CONTRACT





RESOLUTION NUMBER R- 25710A

Adopted on SEP 14 1982

RECEIVED  
SEP 24 1982

BE IT RESOLVED, by the Council of The City of San Diego, as follows:

That the City Manager be and he is hereby authorized and empowered to execute, for and on behalf of said City, an agreement with AMERICAN RED CROSS, San Diego County Chapter, to lease City-owned lift-equipped vans to provide service for mobility-impaired persons and wheelchair users for the period July 1, 1982 through June 30, 1983 at the rate of \$200 per month per vehicle, under the terms and conditions set forth in the agreement on file in the office of the City Clerk as Document No. RR- 25710A .

APPROVED: John W. Witt, City Attorney

By C. M. Fitzpatrick  
C. M. Fitzpatrick  
Senior Chief Deputy City Attorney

CMF:vl:474.9  
08/30/82  
Or.Dept:Fin.Mgmt.  
Form=r.none

DUPLICATE  
PURCHASE OF SERVICE AGREEMENT  
FOR  
PROVISION OF SPECIAL TRANSPORTATION

\ DUPLICATE

RECEIVED

OCT 4 1982

This agreement is made and entered into this 27 day of February, 1982 by and between THE CITY OF SAN DIEGO, hereinafter referred to as "CITY" and AMERICAN RED CROSS, SAN DIEGO COUNTY CHAPTER, hereinafter referred to as "CONTRACTOR". It is understood and agreed that wherever in this contract the term "American Red Cross" is used it shall mean the San Diego County Chapter of the American National Red Cross; said chapter is a duly constituted local unit of the American Red Cross, federal corporation (36 U.S. Code 1 et seq.); and that all obligations of the American Red Cross, San Diego County Chapter, under this contract shall be undertaken and completed exclusively by said chapter and solely at the expense of the chapter without resort in any event to, or commitment of the funds and property of the American National Red Cross or any other unit thereof than the chapter.

In consideration of the mutual promises and covenants of the parties, it is agreed as follows:

I. TERM

This agreement shall be for a period of (12) twelve months beginning July 1, 1982, and ending June 30, 1983. This period may be extended by the CITY and CONTRACTOR if they so desire; provided however, notwithstanding anything to the contrary herein, either party may terminate this agreement upon sixty days' written notice.

DOCUMENT NO. RR-255869  
FILED FEB. 22, 1982  
OFFICE OF THE CITY CLERK  
SAN DIEGO, CALIFORNIA

Termination shall be effective immediately upon the loss of the CITY'S funding.

## 11. SERVICE DESCRIPTION

The San Diego Dial-a-Ride Service for mobility-impaired persons and wheelchair users, hereinafter referred to as "Service", shall be generally as follows:

Purpose: To provide curb-to-curb demand-responsive and pre-scheduled transportation in the City of San Diego for passengers who need to use lift-equipped vehicles.

Area: Service will be within the city limits of San Diego (see Exhibit I). Service will interface with other transportation services as determined by the CITY.

Hours: Service shall be provided from 8:00 a.m. to 6:00 p.m., Monday through Friday.

Passengers: Only those passengers identified as eligible and registered with the CITY shall utilize the Service. Service shall be provided to passengers upon 24-hour advance reservation, or less if time and vehicle availability permit. Passengers will be picked up within 5 minutes before or 15 minutes after the reserved time. CONTRACTOR shall arrange origin to destination transportation in a manner to accommodate the greatest number of passengers over the shortest feasible route(s). Service shall be provided on a shared-ride basis whenever feasible.

Fares: The passenger's rate of fare shall be determined by the CITY and collected by the CONTRACTOR. At the start of this contract, the fare is \$1.00 (one dollar) per zone as shown on Exhibit I (map), and may be increased by the CITY during the term of this contract. Passenger's payment will be in cash or by coupons issued by the CITY.

Complaints: CONTRACTOR shall keep a record of and endeavor to resolve all passenger complaints.

Management: Management of the day-to-day operations shall be the full responsibility of the CONTRACTOR.

### III. COMPENSATION TO CONTRACTOR

CONTRACTOR shall provide all services to carry out the Service exclusive of advertising, provision of vouchers and research over and above that normally provided in the course of routine operations and the CITY shall compensate CONTRACTOR therefore at the rate of \$1.80 for each mile utilized, up to 97,676.66 miles in the carrying of passengers on the Service up to a gross maximum of \$175,818, less the amount of passenger fares. Mileage for pre-arranged group trip passengers having the same origin or destination shall be computed as a single trip from the group's initial passenger pick up point to the group's final drop-off point. These group-trips at the start of this contract shall be clients of Association for Retarded Citizens and Blind Centers. Other agencies or groups may be added during the contract period with the consent of the CONTRACTOR.

CONTRACTOR will monitor service consumed on at least a monthly basis to assure provision of a full twelve (12) months of service.

CONTRACTOR will bill the CITY monthly and will support the billings with mileage, zones and passengers shown on a daily basis. All monthly payments made by CITY to CONTRACTOR shall be made on a reimbursement basis after the service has been provided. Payment shall be made by CITY no more than 30 days from CITY'S receipt of invoice.

Payments shall be made by voucher or check payable to and mailed to:

SAN DIEGO COUNTY CHAPTER OF THE AMERICAN NATIONAL RED CROSS  
3650 FIFTH AVENUE  
SAN DIEGO, CALIFORNIA 92103

The rate of \$1.80 per passenger mile will be negotiated within 30 days after the occurrences of any of the following:

1. The price of fuel increases above the bid price of \$1.40 per gallon.
2. The amount of fuel needed to provide the services exceeds the bid projection of 25,000 gallons.
3. The monthly vehicle repair costs exceed the bid projection of \$400 per month.
4. The average number of passenger miles is less than the projected average passenger miles of 8139.72 miles per month.

The gross maximum of \$175,818 may be re-negotiated if additional funding for this service becomes available to the CITY.

#### IV. EQUIPMENT

Vehicles, radios and fare boxes will be provided by the CONTRACTOR. For the commencement of this contract, four lift-equipped vans will be leased by the CONTRACTOR from the CITY. The rate will be \$200 per month per vehicle, including therein radios and fare boxes. Vehicles will be in good working condition and meet California Vehicle Safety Standards as outlined in Motor Carrier Safety Manual California Administration Code, Title 13. CONTRACTOR shall provide all upkeep of vehicles including fuel, preventive maintenance, repair and insurance to maintain vehicles in clean, safe and efficient operating condition at CONTRACTOR'S expense.

#### V. RECORD KEEPING

The CONTRACTOR shall prepare and submit to the CITY operational records, consistent with reporting requirements of Article 4.5 of the Transportation Development Act including, but not limited to, the following: driver name and vehicle number; passenger name and identification number; trip original and destination addresses; beginning and ending trip mileage to the nearest tenth; pick-up and drop-off time to the nearest minute; stated trip purpose; number of paying passengers, non-paying aides and free transfers; daily vehicle ridership, mileage and revenue; and daily record of service requests not met and the reason.

## VI. INTERRUPTION OF SERVICE

CONTRACTOR will be excused for failure to perform services under this agreement if prevented by reason of acts of God, labor disputes or other occurrences over which CONTRACTOR has no control. The CITY shall not make any payments of service not performed.

## VII. RIGHTS RESERVED

The CITY reserves the right to review CONTRACTOR'S change(s) in Service personnel and to require CONTRACTOR to interview laid-off CITY drivers for employment in this Service.

CITY shall not interfere with the management of the normal internal business affairs of the American Red Cross Wheels program and shall not attempt to directly discipline or terminate CONTRACTOR'S employees. The CITY may advise the CONTRACTOR of any employee's inadequate performance which has a negative effect on the Service being provided and the CONTRACTOR shall take prompt action to remedy the situation.

## VIII. HOLD HARMLESS

Notwithstanding any other agreements, the American Red Cross agrees to protect, hold harmless, and indemnify the CITY, its agents and employees only against legal liability in respect to bodily injury, death, property damage, arising from the negligence of the American Red Cross during the time specified in this agreement.

## IX. INSURANCE

CONTRACTOR shall maintain in full force and effect throughout the term of this Agreement a policy of liability and property damage insurance including leased vehicles of at least one million dollars (\$1,000,000) combined single limit. CONTRACTOR shall name the CITY as an additional insured and shall furnish the CITY with a Certificate of Insurance thereof.

## X. INDEPENDENT CONTRACTOR

CONTRACTOR'S relationship to CITY is that of an independent contractor. CONTRACTOR warrants compliance with all pertinent Federal, State and local regulations in the performance of this Agreement.

## XI. NON-DISCRIMINATION

CONTRACTOR agrees that it shall not discriminate against persons on the basis of race, religion, color, sex, sexual preference or national origin.

## XI. NOTICE

Notices required or permitted hereunder shall be sufficiently given if in writing and if either served personally upon or mailed by registered or certified mail to:



American Red Cross  
San Diego County Chapter  
3650 Fifth Avenue  
San Diego, CA 92103

ATTN: Donita Rotherham, Transportation Administrator

City of San Diego  
Paratransit Office, MS 8A  
202 "C" Street  
San Diego, CA 92101

ATTN: Barbara Lupro, Paratransit Administrator

IN WITNESS WHEREOF, this Agreement is executed by the City of San Diego, acting by and through its City Manager, pursuant to Resolution No. 255869, authorizing such execution, and by American Red Cross San Diego County Chapter.

I HEREBY APPROVE the form and legality of the foregoing Agreement this 7<sup>th</sup> day of September, 1982.

JOHN W. WITT, City Attorney

by *John W. Witt*

THE CITY OF SAN DIEGO

by *Jane Thomas*  
Asst. to City Manager

AMERICAN RED CROSS SAN DIEGO COUNTY  
CHAPTER

by *Bill Sevidell*  
by *D. Rotherham*

RESOLUTION NUMBER R- 255869

Adopted on FEB 22 1982

WHEREAS, the Transportation and Land Use Committee (hereincalled "Committee") conducted several hearings at which the subject of modifications to the Dial-a-Ride system to improve the system and provide a greater amount of service was discussed; and

WHEREAS, the City Manager presented several recommendations to the Committee in respect to improvements and providing greater service; and

WHEREAS, these recommendations are contained in City Manager Reports to the Committee, copies of which have been filed in the City Clerk's office; and

WHEREAS, the Committee reviewed and approved the recommendations on February 8, 1982 and directed the matter be forwarded to the full City Council with a recommendation of approval; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, that the City Manager be, and he is hereby authorized to implement those modifications to the Dial-a-Ride system as set forth in City Manager Reports 82-2 (Part 1), dated January 6, 1982 and 82-37 (Part 2), dated February 3, 1982, copies of which

are on file in the office of the City Clerk as Document Nos.

RR-255869-1 and RR-255869-2

APPROVED: John W. Witt, City Attorney

By Jack Katz  
Jack Katz  
Chief Deputy City Attorney

JK:smm  
2/12/82  
Or.Dept:TLU  
Form=r.none

*R-255869*

Passed and adopted by the Council of The City of San Diego on FEB 22 1982,  
 by the following vote:

Councilmen	Yeas	Nays	Not Present	Ineligible
Bill Mitchell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bill Cleator	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Susan Golding	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leon L. Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ed Struiksma	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mike Gotch	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dick Murphy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lucy Killea	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Pete Wilson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

PETE WILSON  
 Mayor of The City of San Diego, California.

(Seal)

CHARLES G. ABDELNOUR  
 City Clerk of The City of San Diego, California.

By Ellen Board, Deputy.

Office of the City Clerk, San Diego, California	
Resolution Number <u>R 255869</u>	Adopted <u>FEB 22 1982</u>

PURCHASE OF SERVICE AGREEMENT  
FOR  
PROVISION OF SPECIAL TRANSPORTATION

This fourth amendment to Original Agreement No. RR 255869-3 is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 1984 by and between THE CITY OF SAN DIEGO, hereinafter referred to as "CITY" and AMERICAN RED CROSS, SAN DIEGO COUNTY CHAPTER, hereinafter referred to as "CONTRACTOR". It is understood and agreed that wherever in this contract the term "American Red Cross" is used it shall mean the San Diego County Chapter of the American National Red Cross; said chapter is a duly constituted local unit of the American Red Cross, federal corporation (36 U.S. Code 1 et seq.); and that all obligations of the American Red Cross, San Diego County Chapter, under this contract shall be undertaken and completed exclusively by said chapter and solely at the expense of the chapter without resort in any event to, or commitment of the funds and property of the American National Red Cross or any other unit thereof than the chapter.

R E C I T A L S

- A. CITY and CONTRACTOR entered into an agreement in February 1982 (Document No. RR-255869-3) to provide curb to curb demand-responsive and pre-scheduled transportation in the City of San Diego for passengers who need to use lift-equipped vehicles.
- B. CITY and CONTRACTOR have amended the agreement on three occasions.
- C. CITY and CONTRACTOR now desire to further amend the agreement to extend the term, and modify the method and total amount of compensation.

NOW THEREFORE, in consideration of the recitals and mutual obligations of the parties as herein expressed, CITY and CONTRACTOR agree to amend the agreement to make revisions to Articles I, III, IV, V, VI and XII as follows:

#### I. TERM

This agreement shall be for a period of (24) twenty-four months beginning July 1, 1982 and ending June 30, 1984. This period may be extended by the CITY and CONTRACTOR if they so desire; provided however, notwithstanding anything to the contrary herein, either party may terminate this agreement upon sixty days' written notice.

Termination shall be effective immediately upon the loss of the CITY'S funding.

#### III. COMPENSATION TO CONTRACTOR

CONTRACTOR shall provide all services to carry out the service exclusive of advertising, provisions of vouchers and research over and above that normally provided in the course of routine operations.

CITY agrees to pay CONTRACTOR \$1.80 for each passenger mile of service provided by CONTRACTOR under the terms and conditions of this agreement during the period January 1, 1984 through April 30, 1984. Passenger miles for pre-arranged group trip passengers having the same origin and destination shall be computed as a single passenger trip from the group's initial pick-up point to the group's final drop-off point.

CITY agrees to pay CONTRACTOR \$20.00 for each vehicle service hour provided by CONTRACTOR under the terms and conditions of the agreement during the period May 1, 1984 through June 30, 1984. Such rate shall not be adjusted for any reason including fluctuating vehicle service hours or CONTRACTOR'S costs hereunder. Upon a decision by CITY to provide additional or reduced vehicle service hours, or a change in the number of vehicle service hours provided by CONTRACTOR due to strike, civil disaster, or other public calamity; it is City's intent to negotiate a mutually agreeable new vehicle service hour rate with CONTRACTOR and amend the agreement accordingly.

CITY estimates that 2,140 vehicle service hours will be provided by CONTRACTOR during the period of May 1, 1984 through June 30, 1984. This hourly figure is only an estimate and actual vehicle service hours may differ from this estimate.

The maximum payment to CONTRACTOR under this contract may not exceed \$351,986.40 including credits received for passenger fares. CITY intends to request additional Transportation Development Act funds for service to be provided under the terms of this contract. If this funding is approved, the maximum payment amount under this contract is increased to a total of \$385,520.

CONTRACTOR will bill the CITY monthly and will support the billings with mileage, zones and passengers shown on a daily basis. All passenger fares are the property of the CITY and will be credited to the CITY by CONTRACTOR in the monthly billings. All monthly payments made by CITY to CONTRACTOR shall be made on a reimbursement basis after the service has been provided.

Payment shall be made by CITY no more than 30 days from CITY'S receipt of invoice.

Payments shall be made by voucher or check payable to and mailed to:

SAN DIEGO COUNTY CHAPTER OF THE AMERICAN NATIONAL RED CROSS  
3650 FIFTH AVENUE SAN DIEGO, CALIFORNIA 92103

#### IV. EQUIPMENT

Vehicles, radios and fare boxes will be provided by the "CONTRACTOR". The "CONTRACTOR" may lease vehicles from the CITY if they are available at a rate of \$200 per month per vehicle, including the radios and fare boxes. All vehicles will be in good working condition and meet California Vehicle Safety Standards as outlined in Motor Carrier Safety Manual California Administration Code, Title 13. "CONTRACTOR" shall provide all upkeep of vehicles including fuel, preventive maintenance, repair and insurance to maintain vehicles in clean, safe and efficient operating condition at CONTRACTOR'S expense.

#### V. RECORD KEEPING

The CONTRACTOR shall prepare and submit to the CITY operational records, consistent with reporting requirements of Article 4.5 of the Transportation Development Act. These records shall include but are not limited to, the following: driver name and vehicle number; passenger name and identification number; trip original and destination addresses; beginning and ending



trip mileage to the nearest tenth; pick-up and drop-off time to the nearest minute; stated trip purpose; number of paying passengers, non-paying aides and free transfers; daily vehicle ridership, mileage and revenue; and daily record of service requests not met and the reason.

#### VI. INTERRUPTION OF SERVICE

CONTRACTOR will be excused for failure to perform services under this agreement if prevented by reason of acts of God, labor disputes or other occurrences over which CONTRACTOR has no control. The CITY shall not make any payments for service not performed.

#### XII. NOTICE

Notices required or permitted hereunder shall be sufficiently given if in writing and if either served personally upon or mailed by registered or certified mail to:

American Red cross  
San Diego County Chapter  
3650 Fifth Avenue  
San Diego, CA 92103

ATTN: Donita Rotherham, Executive Director

City of San Diego  
Paratransit Office, MS 8A  
202 "C" Street  
San Diego, CA 92101

ATTN: Barbara Lupro, Paratransit Administrator

IN WITNESS WHEREOF, this Fourth Amendment to Agreement is executed by the City of San Diego, acting by and through its City Manager, pursuant to Resolution No. \_\_\_\_\_, authorizing such execution, and by American Red Cross San Diego County Chapter.

I HEREBY APPROVE the form and legality of the foregoing Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 1984.

JOHN W. WITT, City Attorney

by \_\_\_\_\_

THE CITY OF SAN DIEGO

by \_\_\_\_\_

AMERICAN RED CROSS SAN DIEGO  
COUNTY CHAPTER

by \_\_\_\_\_

APPENDIX F  
RECENT MAILINGS TO USERS





277-1383

### SPECIAL RATES FOR DIAL-A-RIDE PASSENGERS

(25 - 35% off our regular rates)

<u>TRIP LENGTH</u>	<u>YOUR COST</u>
10 miles or less.....	\$1.00 per mile + \$1.00 flag throw
Over 10 miles.....	\$1.00 per mile (no flag charge)

Plan Ahead - Call Ahead

## INTRODUCING



CITY OF SAN DIEGO  
DIAL - A - RIDE  
CUSTOMERS

**SAVE**  
**10% TO 20%**

OFF THE METER COST



**CAB SERVICE**  
**291-4444**

DISCOUNT COUPON  
10% - 20% OFF  
DIAL - A - RIDE  
10% OFF ANYTIME  
20% OFF 12 NOON - 4 P.M.  
THIS OFFER EXPIRES OCTOBER 30, 1983



*Please return to Kay*

*Kay  
Sue  
Jon*

*FYI*

THE CITY OF  
**SAN DIEGO**

CITY ADMINISTRATION BUILDING • 202 C STREET • SAN DIEGO, CA 92101

*A-5*

September 8, 1983

Dear Dial-A-Ride Participant:

As of August 31, 1983, the green Dial-A-Ride coupons are no longer valid. Taxi companies have been instructed not to accept the green coupons after August 31, 1983.

The expired, green Dial-A-Ride coupons should be mailed to the Dial-A-Ride office immediately. You will be sent new blue coupons in place of all of the expired green coupons.

Upon receipt of these green, expired coupons, the Dial-A-Ride office will refund the same amount IN BLUE COUPONS to you, unless requested otherwise IN WRITING.

The blue coupons have no expiration date, and have been accepted by all of the Dial-A-Ride taxi companies beginning June 1, 1983. They will continue to be accepted until further notification by this office.

Due to the large amount of correspondence expected because of this refund, please allow three to five weeks for the refund. You may order your coupons for September and October in the interim.

All expired coupons will be exchanged in full with the new blue coupons. The refunds for the green, expired coupons are completely separate transactions from any other coupon orders, and may not be used as credit towards other coupon orders.

Many of our passengers have already sent in their expired coupons. If you have sent in your expired coupons, please disregard this notice.

Our staff will be glad to answer any questions or provide additional information. Please feel free to call us at 236-5634.

Sincerely,

*Barbara Lupro by Maggie Smith*

Barbara Lupro  
Paratransit Administrator

BL:MS:ps

RECEIVED

SEP 8 1983

DIAL-A-RIDE



THE CITY OF

# SAN DIEGO

CITY ADMINISTRATION BUILDING • 202 C STREET • SAN DIEGO, CALIF. 92101

Paratransit  
Administration  
236-7701

December 20, 1983

Dear Dial-A-Ride Participant:

This letter is to inform you that, beginning today, the highest amount of coupons that you can purchase for a given month is \$32.00. The Dial-A-Ride administration has had to return to this limit due to the increase in Dial-A-Ride participation. This means that you will receive four coupon books per month instead of five. The price of each \$8.00 book will remain at \$2.00.

Beginning with the January/February, 1984 coupon ordering period, you will be able to order a maximum of \$32.00 per month, or \$64.00 for two months. Therefore, we will only accept checks made out for a maximum of \$8.00 per month or \$16.00 for two months. If your check is made out for the wrong amount of money, we will return it to you, causing a delay in your receiving the new coupons.

Because of the increasing number of Dial-A-Ride participants, we ask that you plan your trips carefully and only order the amount of coupons that you will need for the month. Requests for supplemental coupons will be considered on a case-by-case basis only if coupons are available for that month after all participants have received their basic order.

If you have any questions, please feel free to contact the Dial-A-Ride staff at 236-5634.

Sincerely,

A handwritten signature in cursive script that reads "Barbara Lupro".

Barbara Lupro  
Paratransit Administrator

BL:SM:ps

# ORANGE CAB

DECEMBER 29, 1983

CITY OF SAN DIEGO  
DIAL A RIDE ADMINISTRATION  
202 C STREET  
MAIL STATION 8A  
SAN DIEGO, CALIFORNIA 92101

GENTLEMEN:

THE FOLLOWING LISTED INDIVIDUALS WERE THE WINNERS IN THE CHRISTMAS DRAWING HELD BY ORANGE CAB FOR OUR DIAL A RIDE CUSTOMERS, HELD DECEMBER 15, 1983:

1ST PRIZE \$100.00

MRS. EDITH WHITT  
1509 GRAND AVENUE  
SAN DIEGO, CA 92109

2ND PRIZE \$ 50.00

MRS. EMILIE ELKERTON  
3359 COLLIER AVENUE  
SAN DIEGO, CA 92116

3RD PRIZE \$ 25.00

MR. CHARLES J. LACEY  
1551 THIRD AVENUE  
APARTMENT 1416  
SAN DIEGO, CA 92101

THE CHECKS WERE MAILED TO THE WINNERS ON DECEMBER 22, 1983. ALL OF US AT ORANGE CAB WOULD LIKE TO THANK YOU FOR YOUR COOPERATION AND ASSISTANCE WITH THE DIAL A RIDE PROMOTIONS AND WISH YOU A HAPPY 1984!!

SINCERELY,



MICHAEL D. MUR  
SECRETARY/DIRECTOR

RECEIVED

JAN 03 1984

DIAL-A-RIDE

3911 Pacific Hwy. • Suite 202 • San Diego, Calif. 92110 • (619) 291-3333





FINANCIAL  
MANAGEMENT  
DEPARTMENT  
236-5634

THE CITY OF

SAN DIEGO

CITY ADMINISTRATION BUILDING • 202 C STREET • SAN DIEGO, CA 92101

February 7, 1984

program began 3/1/84 -> Coupon users  
changed to a 300000 ID number  
example = from 200102 to  
300102.

Dear Dial-a-Ride Participant:

The City of San Diego Dial-a-Ride has a new program available to all eligible users who require lift-equipped vehicles.

Our new program offers you a choice of providers which now includes Chair There, Inc., and American Red Cross WHEELS. Both have agreed to accept coupons for payment of the fare. The current rate of fare is \$1.80 worth of coupons per mile per person.

How does it work?

As a certified Dial-a-Ride participant you may now purchase transportation coupons to pay for your trips and, most importantly, you will have your choice of providers.

Coupons are sold at a cost to you of \$5.00 for \$32.00 or \$10.00 for \$64.00 worth of transportation per month. In other words, you will receive \$64.00 worth of coupons from our office which you use just like money to pay for your trips with a provider of your choice. The total cost to you will be the purchase price of your coupons.

Based on our records, we estimate that \$64.00 worth of coupons per month will average the same amount of trips as currently being used at approximately the same cost as the cash zone fare, with the additional benefit of having a wider choice of providers.

How do you obtain coupons?

If you are interested in utilizing this new program, please call our office at 236-5634. Our staff will give you all the necessary information on how to obtain your coupons by mail.

We sincerely hope that this new program will help meet the increasing need for specialized transportation services.

Sincerely,

*Barbara Lupro*

Barbara Lupro  
Paratransit Administrator

BL:SM:jt

A-1



THE CITY OF  
**SAN DIEGO**

CITY ADMINISTRATION BUILDING • 202 C STREET • SAN DIEGO, CA 92101

FINANCIAL  
MANAGEMENT  
DEPARTMENT

Dear Dial-A-Ride User:

We are pleased to inform you that you have been certified eligible for the Dial-A-Ride lift-equipped service. Your personal identification number is:

\_\_\_\_\_  
Dial-A-Ride I.D. Number

Enclosed you will find your personal I.D. Card which you will need whenever you are using coupons to pay for service.

How Does It Work?

As a certified Dial-A-Ride participant, you may now purchase transportation coupons to pay for your trips.

Coupons are sold at a cost to you of \$5.00 for \$32.00 or \$10.00 for \$64.00 worth of transportation per month. In other words, you can receive up to \$64.00 worth of coupons, which you use just like money to pay for your trips from the provider of your choice. You would pay \$10.00 for the coupons, about 15% of what they are worth.

How Do You Use The Service?

When you need transportation services, you simply call the provider of your choice (from the list below) and schedule your trip. When you call, give them your name and Dial-A-Ride I.D. Number.

Each provider has its own hours of operation and rate of fare. Select the one that meets your needs best. At the end of your trip you pay for the cost of your trip with coupons, just as you would with money. Remember, coupons are just like money when you pay for your transportation. However, you may not use coupons to pay for tips, only for the cost of your trip.

There are currently two registered Dial-A-Ride lift-equipped providers which you may call when you need transportation services:

- American Red Cross Wheels. . . . . 297-3947
- You must schedule your trips no less than 24 hours in advance.
- One attendant may accompany you at no extra cost.
- Service is available Monday through Friday, 8:00 a.m. to 6:00 p.m.
- Rate: \$1.80 per mile

-Chair There, Inc. . . . . 268-3111  
You must schedule your trips at least 3 hours in advance.  
One attendant may accompany you at no extra cost.  
Service is available Monday through Saturday, 6:00 a.m. to 7:00 p.m.  
Rate: \$1.80 per mile

If your disability permits you to transfer into a non-lift-equipped vehicle, such as a taxi, you may call on other Dial-A-Ride providers which provide you with a wider choice of rates and hours of service.

If you have any questions regarding applications, eligibility, or the purchase of coupons, please call the City's Dial-A-Ride office at 236-5634.

Sincerely,

Dial-A-Ride Staff



THE CITY OF

# SAN DIEGO

CITY ADMINISTRATION BUILDING • 202 C STREET • SAN DIEGO, CA 92101

FINANCIAL  
MANAGEMENT  
DEPARTMENT  
236-7017

June 22, 1984

Dear Dial-A-Ride Participant:

As of July 31, 1984, the blue Dial-A-Ride coupons will no longer be valid. The taxi companies have been instructed not to accept the blue coupons after July 31, 1984.

You may begin using the new buff-colored coupons as soon as you receive them.

Any unused blue coupons that you have can be redeemed for a refund by sending the coupons to the Dial-A-Ride office prior to August 31, 1984. Any coupons received after that date in the Dial-A-Ride office will not be refunded.

Due to the large amount of correspondence expected because of this refund, please allow three to five weeks for the refund to be mailed to you. In the meantime, you may order your coupons for July and August. The refunds for these blue coupons are completely separate transactions from any other coupon orders, and may not be used as credit towards other coupon orders.

My staff will be glad to answer any questions or provide any additional information. Please feel free to call one of them at 236-5634.

Sincerely,

A handwritten signature in cursive script that reads "Barbara Lupro".

Barbara Lupro  
Paratransit Administrator

BL:PS:ps

APPENDIX G  
SANDAG ANALYSIS OF  
DIAL-A-RIDE ZONE SYSTEM



CITY OF SAN DIEGO  
DIAL-A-RIDE ZONE SYSTEM ANALYSIS

OCTOBER 1, 1984

SAN DIEGO ASSOCIATION OF GOVERNMENTS  
1200 Third Avenue, Suite 524  
San Diego, CA 92101  
(619) 236-5300

## Introduction

The City of San Diego has operated a Dial-A-Ride program for the elderly and handicapped since 1975. The City currently contracts with the Red Cross ("WHEELS") to provide transportation for the Dial-A-Ride program. The program operates as a zone-fare system, where users purchase coupons at a reduced rate and use coupons as currency when using Dial-A-Ride. Currently, the program operates as an eight-zone system. The coupon fare amounts to one dollar per zone travelled through.

City staff felt that this system was inequitable because the zones were so large that those using Dial-A-Ride for short trips were paying nearly as much as those using Dial-A-Ride to travel across several communities. At the request of the City, the San Diego Association of Governments provided assistance in restructuring the zone system so a more equitable, distance-based fare structure could be created. Existing software and data bases were used to allow City staff to evaluate alternative zone systems and determine the appropriate zone-to-zone fare.

## Methodology

Trip log sheets for the month of June, 1984 were obtained from the Red Cross. These log sheets contain information about each Dial-A-Ride trip -- the pick-up and drop-off location, date, scheduled and actual pick-up time, drop-off time, number of passengers and whether or not they are elderly, handicapped (wheelchair-user or ambulatory) or are riding as an attendant, and the fare status (cash, coupon, or to be billed). Each trip end was hand-coded with its appropriate Traffic Analysis Zone (TAZ). Taz's are standard geographic units used in transportation planning. While some of this information was not needed for this study, it was all keypunched and entered into the computer for use in future studies concerning Dial-A-Ride.

From this computerized data, a TAZ-to-TAZ trip table of Dial-A-Ride movement was created as well as cross-reference file between TAZs and the existing Dial-A-Ride zones.



A series of computer programs was run on the existing eight-zone system, the results of which were used by City staff in creating new Dial-A-Ride zone configurations. The first program built a triptable of Dial-A-Ride zone-to-zone movements (person-trips). The second program used non-work trips for the total population to create average travel time (off-peak) and distance matrices between Dial-A-Ride zones. A zone-to-zone fare matrix was computerized and used in a third program that multiplied the zone-to-zone fares by the number of Dial-A-Ride trips. This resulted in an estimate of the revenue generated.

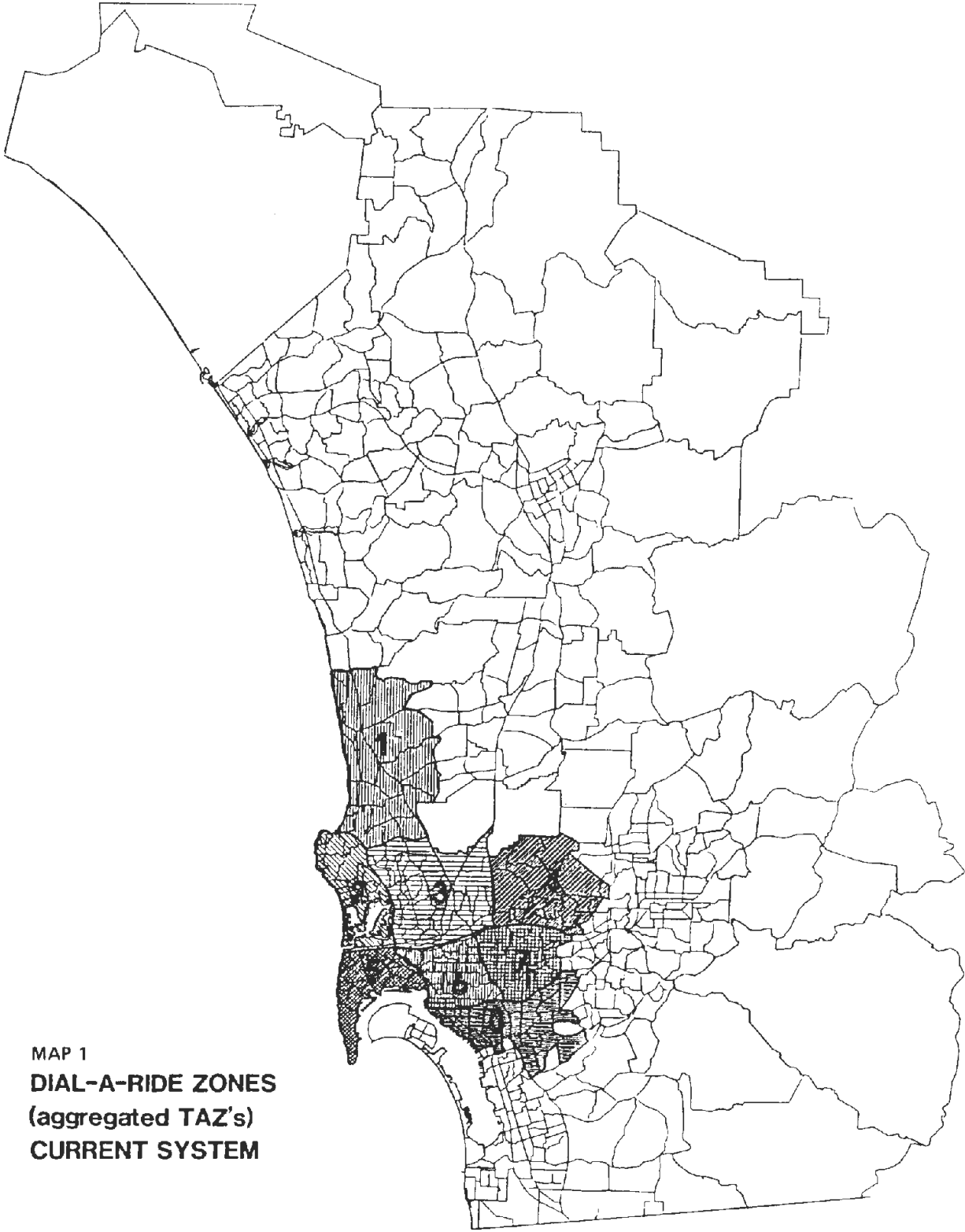
City staff created four alternatives, consisting of 18 to 26 zones each. Again, the objective in restructuring the zone system was not to generate more revenue but to make the fare structure more equitable. Four main criteria were observed in determining the zone configurations. The first was to avoid having too many zones, which would be unmanageable for Dial-A-Ride drivers. The second was that zone boundaries should be major streets or freeways, so that it would be easier for the driver to determine the proper zone for fare determination. The third criteria, already noted, was that the zones should be structured so that the zones travelled through and hence the fares are distance-related. The fourth goal was to divide the zones so that each zone had services (shopping, medical, etc.) available. To create zones without services would have placed an unfair burden on residents of those zones because they would have to pay more to get to necessary services.

The current zone system (Map 1), as well as each alternative, was examined using the computer output described above. The first three alternatives contained 21, 28, and 25 zones. These alternatives were eliminated for two main reasons. The first was that many of the zones (particularly in the northern portion of the City) had no trips originating or ending there. Until development occurs there, it was determined that it unnecessarily complicated the zone configuration to have the area split up. The second reason for eliminating alternatives one,

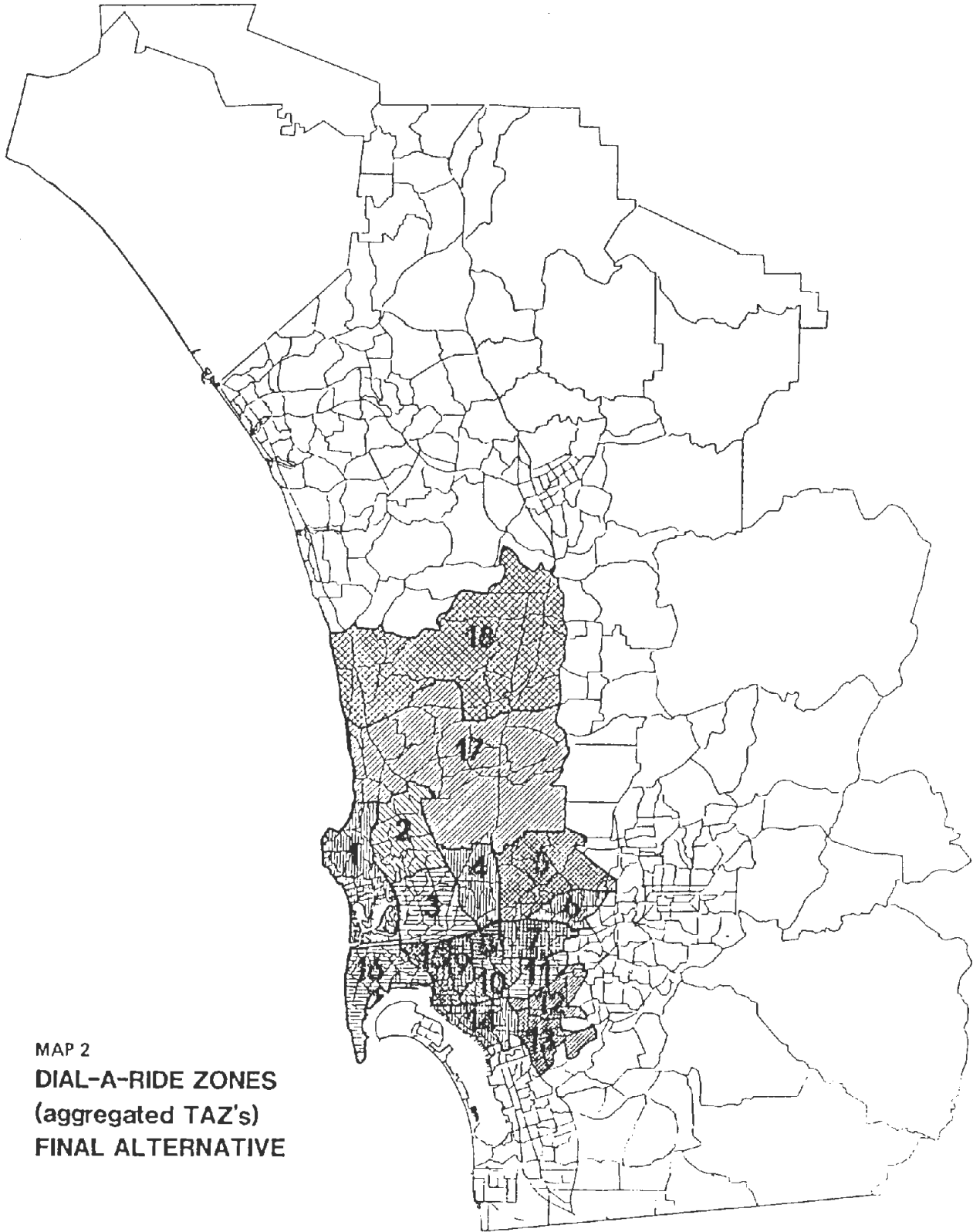
two, and three was that each had too many zones. The Dial-A-Ride drivers determine zones from a small map, and the fares from a matrix of zone-to-zone fares. Twenty-one to 28 zones were determined to be too detailed to be managed easily.

The fourth and final alternative was selected because it met all of the desired criteria. The north city zones from alternatives one, two, and three were combined to form one large zone. Several other zones were also combined, resulting in a total zone count of 18. The boundaries of each zone are major streets or freeways, and adequate services are provided within each zone. An 18-zone configuration was thought to be detailed enough to create an equitable fare system yet few enough to be manageable.

The total revenue generated using the 8-zone system was 2,104 "units". (The term "units" will be used here rather than "dollars," since the fare coupons are sold at a variable rate.) The number of units generated using the 18-zone system was 3,112. Since the objective of this restructuring was not to increase revenue, the dollar amount that fare coupons are sold for can be reduced to obtain the same revenue and decrease the cost for short trips.



**MAP 1**  
**DIAL-A-RIDE ZONES**  
**(aggregated TAZ's)**  
**CURRENT SYSTEM**



MAP 2  
DIAL-A-RIDE ZONES  
(aggregated TAZ's)  
FINAL ALTERNATIVE

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